

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 30,063

Tuesday October 21 1986

Euro-motor industry
moves into
higher gear, Page 6

D 8523 B

World news Business summary

Weinberger Samsung breaks ranks to spend £25m on UK plant over SDI

US Defence Secretary Casper Weinberger, in an apparent split with other top Reagan administration officials, said he opposed any limit on testing of the Strategic Defense Initiative (SDI), the space-based defence system.

Mr Weinberger's public intervention in the arms debate conflicted with an optimistic assessment of the possibility of an SDI deal made by Mr Larry Speakes, President Reagan's chief spokesman.

Mr Speakes said the Soviet Union had told the White House it would like to reopen talks on SDI testing. Page 5

Strike to hit France

About 6m French public service workers are expected to strike today in the biggest challenge by the country's unions so far to the seven month-old conservative Government. Page 28

Greek election turn

Greece's conservative opposition made a dramatic political recovery in municipal elections over the weekend. Page 28

German arrest row

West German labour and opposition leaders expressed outrage at the dramatic arrest of a senior union official for refusing to testify to a parliamentary committee of inquiry into the Neue Heimat property group scandal. Page 3

Shamir takes over

Likud leader Yitzhak Shamir became Prime Minister of Israel and promised he would promote Jewish settlement in the occupied Arab territories while also seeking peace with Jordan. Page 4

Kohl visits US

Chancellor Helmut Kohl of West Germany begins three days of talks with President Reagan and senior US officials in Washington. He is the first West European leader to meet President Reagan since the Reykjavik talks and will be briefed on US arms proposals. Page 2

EEC visa proposed

European Community interior and justice ministers agreed in London to consider co-ordinating immigration policies and introducing a common visa for the 12-nation bloc in the fight against terrorists and drug traffickers. Page 28

Trial for US airman

Captured American Eugene Hasenfus went on trial before a revolutionary tribunal in Nicaragua charged with flying arms to Contra rebels. He faces up to 30 years in jail. Page 5

Walesa under fire

Polish leader General Wojciech Jaruzelski has sharply attacked an appeal by Solidarity chief Lech Walesa for the lifting of remaining Western sanctions. Page 2

Seoul crackdown

A senior South Korean official said the authorities planned to investigate about 10,000 people involved in anti-Government activities

Explosions claim

French Interior Minister Charles Fiterman denied claims that 101 exploded mail nationwide had been dragged on to a flight home and said explosions of foreigners would recur whenever necessary. Page 2

Italian go-slow

Italian car drivers face chaos for the rest of this week as thousands of truck drivers boycott motorways and stick to a 60 kph speed limit in protest at new government safety measures. Page 2

Austria	Oct 20	Belgium	Rs 2100	Philippines	Rs 20
Denmark	Oct 20	Ireland	Rs 100	Portugal	Rs 100
Finland	Oct 15	Japan	Rs 1500	S. Africa	Rs 100
Canada	CS1.00	Korea	Rs 200	Singapore	Rs 4.10
France	Oct 20	Malta	Rs 100	Spain	Rs 125
Germany	Oct 20	Norway	Rs 500	Turkey	Rs 30
Italy	Oct 20	Peru	Rs 500	Sri Lanka	Rs 7.00
Switzerland	Oct 15	Yugoslavia	Rs 250	Sweden	Rs 2.20
UK	Oct 20	Zambia	Rs 500	Thailand	Rs 1.20
Denmark	CS1.00	Yemen	Rs 250	Tunisia	Rs 1.20
Finland	Oct 20	Yugoslavia	Rs 250	Venezuela	Rs 1.20
Canada	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
France	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Germany	Oct 20	Zambia	Rs 250	Yemen	Rs 1.20
Italy	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Switzerland	Oct 15	Zambia	Rs 250	Yemen	Rs 1.20
UK	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Denmark	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
Finland	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Canada	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
France	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Germany	Oct 20	Zambia	Rs 250	Yemen	Rs 1.20
Italy	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Switzerland	Oct 15	Zambia	Rs 250	Yemen	Rs 1.20
UK	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Denmark	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
Finland	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Canada	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
France	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Germany	Oct 20	Zambia	Rs 250	Yemen	Rs 1.20
Italy	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Switzerland	Oct 15	Zambia	Rs 250	Yemen	Rs 1.20
UK	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Denmark	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
Finland	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Canada	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
France	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Germany	Oct 20	Zambia	Rs 250	Yemen	Rs 1.20
Italy	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Switzerland	Oct 15	Zambia	Rs 250	Yemen	Rs 1.20
UK	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Denmark	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
Finland	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Canada	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
France	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Germany	Oct 20	Zambia	Rs 250	Yemen	Rs 1.20
Italy	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Switzerland	Oct 15	Zambia	Rs 250	Yemen	Rs 1.20
UK	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Denmark	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
Finland	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Canada	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
France	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Germany	Oct 20	Zambia	Rs 250	Yemen	Rs 1.20
Italy	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Switzerland	Oct 15	Zambia	Rs 250	Yemen	Rs 1.20
UK	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Denmark	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
Finland	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Canada	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
France	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Germany	Oct 20	Zambia	Rs 250	Yemen	Rs 1.20
Italy	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Switzerland	Oct 15	Zambia	Rs 250	Yemen	Rs 1.20
UK	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Denmark	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
Finland	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Canada	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
France	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Germany	Oct 20	Zambia	Rs 250	Yemen	Rs 1.20
Italy	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Switzerland	Oct 15	Zambia	Rs 250	Yemen	Rs 1.20
UK	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Denmark	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
Finland	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Canada	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
France	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Germany	Oct 20	Zambia	Rs 250	Yemen	Rs 1.20
Italy	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Switzerland	Oct 15	Zambia	Rs 250	Yemen	Rs 1.20
UK	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Denmark	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
Finland	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Canada	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
France	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Germany	Oct 20	Zambia	Rs 250	Yemen	Rs 1.20
Italy	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Switzerland	Oct 15	Zambia	Rs 250	Yemen	Rs 1.20
UK	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Denmark	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
Finland	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Canada	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
France	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Germany	Oct 20	Zambia	Rs 250	Yemen	Rs 1.20
Italy	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Switzerland	Oct 15	Zambia	Rs 250	Yemen	Rs 1.20
UK	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Denmark	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
Finland	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Canada	CS1.00	Zambia	Rs 250	Yemen	Rs 1.20
France	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Germany	Oct 20	Zambia	Rs 250	Yemen	Rs 1.20
Italy	Oct 20	Yugoslavia	Rs 250	Yemen	Rs 1.20
Switzerland	Oct 15	Zambia	Rs 250	Yemen	Rs 1.20
UK	Oct 20	Yugoslavia	Rs 250	Y	

EUROPEAN NEWS

Mintoff's successor has been reversing radical policies, Margie Lindsay writes

Bonnici quietly changes Malta's image

A COLLECTIVE sigh of relief was breathed by the population and the diplomatic community when former Maltese Prime Minister Dom Mintoff decided to hand over the reins of power in December 1984.

His hand-picked successor, Prime Minister Carmelo Bonnici, has since been steadily and quietly reversing most of Mr Mintoff's more radical policies and trying to put the country on a more even footing in time for the next election, planned for next May.

Despite protests from the opposition Nationalist Party leader, Mr Eddie Fenech-Adami, that the Labour Government is "only making cosmetic changes", the Prime Minister has changed both the domestic and international image of Malta since he came to office.

With a population of about 330,000, Malta is not able to be an English country town than a European power. However, its position in the Mediterranean, midway between Europe and North Africa and the Middle East, is seen (by the Maltese) as of strategic importance.

It is unlikely that Mr Bonnici or Mr Fenech-Adami would want to change Malta's non-aligned status. As Mr Bonnici explained recently, Malta's neutrality is active; it will allow neither the US nor the Soviet Union to use its ports for military vessels, nor will it allow a military base on the island. One of Mr Mintoff's first aims was the removal in 1979 of the Nato,



Mr Carmelo Bonnici... neutrality is active

British-run naval base. The re-appearance of a Nato base on the island is unlikely.

Aside from patching up the differences with the British Government through the recent visit of the frigate HMS Brazen (although the people of Malta never displayed any anti-British feelings), Mr Bonnici is realistic about Malta's role within Europe.

After several years of Mr Mintoff's attempts at strengthening trade and economic ties primarily with Eastern Europe, North Africa and the Soviet Union, it is clear that the best and biggest investors in and trading partners with Malta lie in Western Europe.

Although Mr Bonnici, unlike the Nationalist Party, does not advocate EEC membership, he is confident that an agreement outlining a special relationship between Malta and the EEC will be signed by the end of the year.

Meanwhile, Mr Bonnici has managed to calm one of the biggest and potentially most explosive issues on the island. This related to the funding of private, mainly Catholic, schools.

The debate, which at one stage looked likely to end in public disorder, was a legacy of Mr Mintoff. Mr Bonnici's more conciliatory approach meant that the row was cleared up.

Mr Bonnici's pragmatic approach is also seen in his economic policies. The current wage freeze and price control policy is likely to be lifted before the election. But the policies have helped to keep inflation down; it is now under 1 per cent.

Net foreign assets at end-May totalled M£518.5m (£284m), despite a disastrous loss of M£39m earlier in the year due to poor investment judgements by the Government under Mr Mintoff.

Malta's trade performance in the first half of the year was disappointing, with exports totalling M£79.2m (£43.6m) compared with imports of M£143.9m (£79m). But tourism, the main money earner, showed a healthy increase of just over 10 per cent in the first



Mr Eddie Fenech-Adami... "only cosmetic changes"

five months of this year, compared with the same 1985 period.

Mr Bonnici, unlike his predecessor, seems to recognise the importance and economic power of the private sector.

The policy in which banks, energy, air travel and some other industries were nationalised is unlikely to be reversed by the present Government. But Mr Bonnici has begun a dialogue with the private sector, represented by the Federation of Industry.

This group recently commented on the Government's proposed three-year (1986-88) development plan, published in July. Although the Federation

is critical of some points, in the main it supports some of the main planks of the plan.

These include the setting up of an export promotion council, export credit insurance and an import substitution policy.

The main problem, as the Federation sees it, is attracting new investment to Malta. Although investment has continued during the Labour Party's term in office, it has dropped off over the past five years.

The more economically balanced policies now being pursued by Mr Bonnici's Government may help reverse that trend, but the Nationalist Party insists that only it will be able to restore international confidence in the country.

The Nationalists intend, if elected, to limit the Government's control of the banks to a majority share-holding only.

They would also put together a package of incentives geared at attracting new capital investment.

One of their main priorities, as with the Labour Party, is cutting unemployment, which is officially put at around 7.10 per cent, but according to the Nationalist Party, closer to 17 per cent.

Although it is now difficult to spot the differences between the two main political parties, in a country where arguing appears to be the favourite pastime, the pre-election period promises to be a lively one.

Jaruzelski hits at plea by Walesa on sanctions

By Christopher Bobinski
in Warsaw

GEN Wojciech Jaruzelski, Poland's military leader has sharply attacked a recent appeal by Mr Lech Walesa, former leader of the banned Solidarity union, and prominent Polish intellectuals, for the lifting of remaining Western sanctions.

Speaking in Katowice at the weekend, the general hinted at the possibility of increased repression against those Solidarity activists who are openly attempting to secure a return of their banned union.

Solidarity's conciliatory statements were aimed merely at winning official tolerance, the General stressed.

This dismissive tone augurs ill for the general's hopes of broadening his base of support by getting independent-minded people with Solidarity sympathies onto an official advisory committee he has organised.

The speech to Communist Party delegates in Poland's most heavily-industrialised area came just after the publication of economic figures for the first nine months of the year.

These show industrial output going up by 4.7 per cent, a record grain harvest of 25m tonnes, up 5 per cent on last year, but a 3.5 per cent fall in crucial hard currency sales abroad.

Italian lorry drivers clog roads in protest at safety decree

By JOHN WYLES IN ROME

THE PATIENCE of the Italian car driver, a scarce commodity at the best of times, will be sorely tested for the remainder of this week by the presence on the country's ordinary roads of thousands of heavy lorries all scrupulously observing the 60 kph speed limit.

Until Sunday, the owners of up to 350,000 "autotreni" are boycotting the motorways and promising strict observance of speed limits in protest at a government decree imposing new safety measures on the transport of heavy goods.

The prospect of lorry convoys stretching as far as the eye can see in itself poses a major safety hazard which the authorities hope to minimise. But it also threatens long delays in the delivery of everything from motor cars to perishable goods at a serious cost to the economy.

The traffic police plan to deploy a mini-squadron of 20 helicopters to detect the build-up of convoys and some 2,000 patrols to try to prevent them.

Given the subtlety of the heavy lorries' accounts and around 80 per cent of goods transported in Italy—there is no great confidence that the traffic managers will be up to the task.

The government decree which has just come into force was adopted last month in the wake of growing public concern about alleged dangerous driving practices of a minority of lorry drivers.

The climax came at the end of August when an entire family of seven died in the

early hours of one morning when a lorry crossed the central reservation of the A2 motorway and careered into their van.

The motorway speed limit for heavy vehicles is 60 kph and it has been claimed that the lorry was racing with another.

The transport companies are warning that the new decree is repressive and will put up transport costs by 50 per cent. It will produce heavier fines for speeding and penalties of up to £45 (£2,350) for overriding the tachograph required by EEC law for monitoring speeds and hours worked. Drivers can lose their licences after three offences within 12 months.

The law applies equally to foreign-registered lorries, which may be detained unless penalties are immediately paid, or unless the offender has a special insurance policy guaranteeing payment.

The government has been consistently promising to deal with one of the major underlying causes of the heavy lorry problem—the absence of an integrated transport policy. In particular, the efficiency of the state railways has fallen so low that they hardly compete at all with road carriage of goods.

The railways' 11.7 per cent share of the goods market is one of the lowest in Western Europe. Mr Claudio Signorile, Minister of Transport, is working on a plan for special lorry-carrying trains whose punctuality will be "guaranteed."

Controversy in France over Mali expulsions

By PAUL BETTS IN PARIS

THE FRENCH Government has touched off a fresh political controversy by its decision to expel 100 illegal immigrants from Mali.

The immigrants were sent back to Bamako, the capital of Mali, in a DC-8 jet specially chartered by the French Interior Ministry. It was the largest single expulsion order and the first significant application by the Government of the toughened immigration law introduced at the beginning of September.

The law gives the French Administration full power to expel immigrants who do not have proper papers. The Mali nationals either did not have papers or had irregular papers.

The mass expulsion immediately provoked a bitter attack from French left-wing anti-racist organisations such as SOS Racisme, and various trade unions.

The move was also criticised by Mr Claude Malherbe, Secretary of State for Human Rights, who said the expulsions were perfectly regular but the spectacular way they were made "could have given to some people the impression that France had launched a hunt against foreigners."

The expulsions came barely a month before President Francois Mitterrand is due to visit Mali. They have also rekindled controversy over the Government's decision

to step up police search-and-arrest powers and toughen the immigration system.

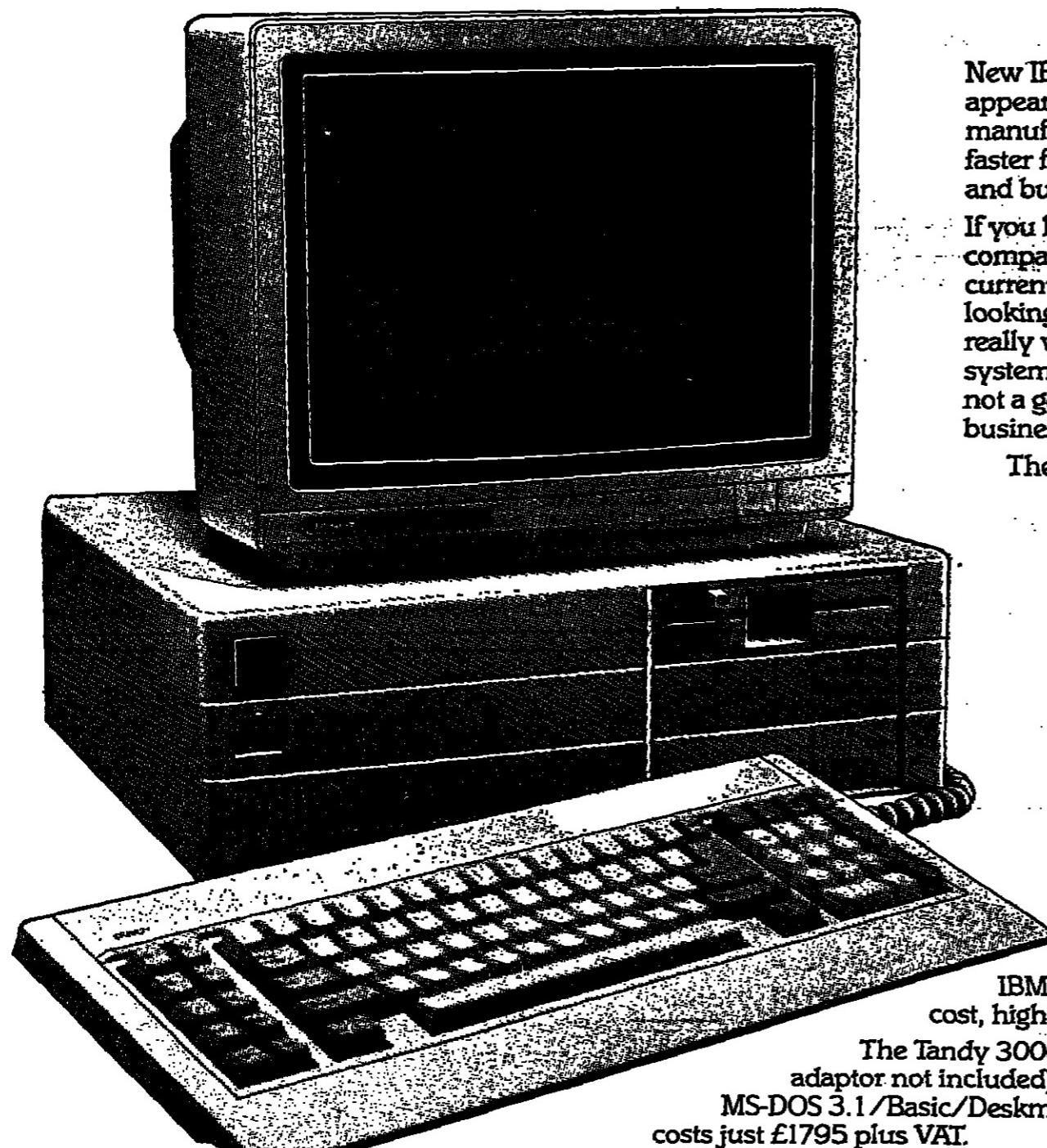
The Government's harder line towards security and immigration had won broad public consensus during the past few weeks after the terrorist bombings in Paris last month.

However, many feel Mr Charles Pasqua, Interior Minister, and Mr Robert Parraud, Security Minister, have acted too brutally in this first application of the new immigration law.

FINANCIAL TIMES
Published by The Financial Times (Europe) Ltd, Frankfurt Branch, represented by E. Hugo, Frankfurt/Paris, and members of the Board of Directors: F. Bardey, R.A.P. McClellan, G.T.S. Denner, M.C. Gorman, D.E.P. Palmer, London-Printers: Frankfurter-Societäts-Druckerei-GmbH, Frankfurt/Main, French edition: R. A. Harper, Frankfurt-Main, Guidostrasse 2, 6000 Frankfurt (Main), 1-0. The Financial Times Ltd, 1986.

FINANCIAL TIMES USA, USPS No. 100-640, published daily except Sundays and holidays. Second class postage paid at New York, N.Y., and at additional mailing offices. POSTMASTER: Please address changes to FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

The new Tandy 3000 HL. Less haste more speed.



New IBM-AT compatible computers have been appearing virtually every day. No self-respecting manufacturer's range is now complete without its go-faster flagship. But don't be too hasty about rushing out and buying one.

If you have been thinking of buying an IBM-AT compatible, stop and think for a while. Perhaps you're currently using IBM-XT's and have simply been looking for a faster personal computer. Unless you really want to run the Xenix multi-user operating system, rushing out to buy a normal AT-compatible is not a good idea. It's an unnecessary extravagance your business can do without.

The new Tandy 3000HL is aimed at those people that have already invested in IBM PC/XT software and hardware, yet are looking for a lower priced, higher performance compatible. It uses the same 80286 chip as IBM's AT and offers the speed and processing capability that users are demanding. 8-megahertz clock-speed, seven full-size expansion slots, 512K of memory (expandable to 4 megabytes) and full IBM-XT software and hardware compatibility mean that this is a true high-capacity computer with over four times the power of an IBM XT.

And if you now need to link more than one computer together, or may need to in the future, the Tandy 3000HL can be networked with other Tandy computers such as the 3000HD or 1000, or even IBM or IBM compatibles using Vianet™, our new low-cost, high performance network that's available now.

The Tandy 3000HL is priced from £995 plus VAT (monitor and adaptor not included) and a system with a 20 megabyte hard disk, MS-DOS 3.1/Basic/Deskmate, mono monitor and dual display adaptor, costs just £1795 plus VAT.

Whatever system you choose you'll get the sort of professional back-up you'd expect from the world's largest computer retailers. The innovative Tandy 3000HL represents remarkable value for money. This, plus the support we can offer is what we feel makes us... clearly superior.

TANDY COMPUTERS

The range that's clearly superior

Tandy Corporation (Branch UK), Tandy Centre, Leamore Lane, Bloxwich, Walsall, West Midlands. WS2 7PS. Telephone: 0922 477778

For further information dial the operator and ask for

Freefone Tandy Computers

Available from selected Tandy Stores, Dealers And AT Computerworld.

IBM/IBM-XT/IBM-AT TM Of International Business Machines. VIANET TM Of Vianetix.

Available From



Stores

Available From



Stores



The Coin Watch.
An exclusive creation of watchmaking art.

CORUM watches are on view at the finest jewellers. For a brochure, write to:
CORUM, rue du Petit-Châtel, 2300 La Chaux-de-Fonds, Switzerland

EUROPEAN NEWS

West Germany urged to speed cuts in taxes

BY DAVID MARSH IN BONN

THE West German Government was urged yesterday by the country's five leading economic research institutes to speed up tax cuts to prevent growth next year running out of steam.

Although the five institutes are projecting further steady real growth in the West German economy of 3 per cent next year — the same as in 1985 — they pointed yesterday at the risks that expansion would ebb in the second half of 1987.

The debate about the German economic outlook is now focusing on the uncertainties for next year following the refusal of the Bonn Government during the last few weeks to give in to pressure from the Reagan Administration to take any short-term stimulatory action.

A strong body of opinion both abroad and at home — including senior figures from the Bundesbank, the West German central bank — has been calling for the Government's tax reduction plans, at present scheduled for January 1987, to be brought forward by a year.

Taking this measure, the five institutes yesterday argued in their regular autumn report on the economy, would guard against the danger that the present consumer-fuelled upturn would peter out.

The institutes said that the DM 10bn (\$3.5bn) tax cut could be made retrospective to January 1 1987 if this measure was decided by Parliament around the middle of next year.

The centre-right coalition government, whose hopes of victory in the general election in January have been increased by the pick-up in the economy since the summer, wants to postpone

until after the poll any discussion of possible stimulatory action for next year.

Yesterday's report from the five institutes — from Berlin, Hamburg, Essen, Kiel and Munich — forecasts that, even with the German upswing entering its fifth year in 1987, unemployment next year will remain above 2m.

With the rise in employment slowing next year to 250,000 from 300,000 this year, the number of people in work is expected to total 21.2m next year, up 0.2m, this, making up 8.5 per cent of the workforce against 9 per cent in 1986.

In spite of continued steady economic growth and a projected further sharp rise in import volumes, the institutes forecast only a modest fall in Germany's large external surpluses.

The current account surplus is expected to total around DM 60bn next year after DM 70 bn in 1986.

The institutes say foreign exporters are benefiting from the domestic expansion and from the strong D-Mark to increase their share of the West German market.

But the persistence of high trade and current account surpluses next year will probably lead to more pressure from the US and other countries for West Germany to take expansionary action to suck in more imports.

On inflation, the institutes forecast a return to consumer price rises of 5 per cent next year after a fall of 0.5 per cent this year caused almost all by the drop in the dollar and in the oil price.

EEC ministers step up fight for small businesses

BY WILLIAM DAWKINS IN BRUSSELS

EUROPEAN industry ministers yesterday for the first time put their full authority behind efforts to reduce administrative burdens on businesses in the community.

They agreed that cutting away at the tangle of red tape was of prime importance in assisting the growth of small and medium-sized enterprises and thus in reducing unemployment. Business deregulation, they emphasised, was a necessary part of the creation of the internal market, a task which the EEC is pledged is complete by 1992.

"The removal of administrative burdens on business is as important as the harmonisation of regulations. It is vital that measures designed to help businesses do not inadvertently cause them further difficulty," said Mr Giles Shaw, Minister of State at Britain's Department of Trade and Industry and president of the Council of Industry Ministers.

Portugal meets goal of cutting inflation to 12%

BY DIANA SMITH IN OPORTO

PORTUGAL'S minority Social Democrat government broadly met its 1986 goals of bringing down high inflation from 18.5 per cent in 1985 to 12 per cent this year, according to Mr Miguel Cadilhe, the finance minister.

In a confidently optimistic speech to the annual seminar for 140 foreign bankers organised by the Banco Português do Atlântico, Mr Cadilhe stressed that the successful reduction of inflation in 1986 plus correction of current account imbalances — with a balance of payments surplus of \$1.04bn this year against a forecast \$700m deficit — more flexible wage policy, stabilisation of the escudo and easier credit had stimulated much-needed new investment.

He forecast that investment would grow by 10 per cent in 1987. Last week, introducing the

1987 budget, Mr Cadilhe stressed that indicators pointed to a healthy increase in investment this year — with marked improvement over previous years in consumption of cement, in housing loans, and in imports of transport materials and machinery.

In 1987, Mr Cadilhe predicted, inflation would be 8 or 9 per cent, dropping close to European averages at 5 or 6 per cent by 1988. The current account surplus in 1987 should be \$600m.

The government's medium-range goal, the minister added, was to cut back the large public sector deficit. This process had begun this year, when the real deficit, compared with the forecast deficit, would drop to 10 per cent of GDP, against a forecast of 10.9 per cent.

In 1987, the forecast state deficit of £4.45bn (£2.06bn), would represent just under 9 per cent of GDP.

Hopes rise for break in Belgium's political crisis

BY TIM DICKSON IN BRUSSELS

THE POSSIBILITY of a three-month truce to Belgium's bitter linguistic dispute provided a glimmer of hope yesterday that the country's growing political crisis can yet be averted.

Observers in Brussels pointed out, however, that much will depend on how Mr Wilfried Martens, Prime Minister of the centre-right coalition of Christian Democrats and Liberals, answers opposition questions on the subject in Parliament this Thursday.

Divisions between the French and Flemish speaking wings of the Christian Democrat party (respectively the PSC and CVP) were opened up earlier this month by the sacking of Mr Jose Happart, the French-speaking mayor of Les Fourons for

refusing to speak the official local language, Flemish.

An attempt this weekend to find a compromise solution ended with the resignation of Interior Minister Charles Ferdinand Nothomb.

The idea of a truce was first raised on Sunday by the French-speaking Christian Democrats and cautiously endorsed yesterday by the CVP, amid comments on all sides that the Government's economic and social reforms should take priority over other problems.

Last night, however, agreement seemed as far away as ever on the question of what happens to Mr Happart in the interim.

See Page 25

Fresh twist in Neue Heimat tale

BY PETER BRUCE IN BONN AND ANDREW FISHER IN FRANKFURT

THIS WEEK'S conference in Hamburg of the big West German metalworker's union, I.G. Metall, was always going to be a highly charged affair.

Tough plans for forcing a cut in the working week to 35 hours would be hammered out. It has all turned out to be much worse.

On Sunday, just before the opening ceremonies, two policemen walked into the conference centre and demanded that Mr Alfons Lappas, 57, chairman of a giant holding company owned by West Germany's unions, be handed over to them for arrest.

They got him eventually, but not before the conference had

whipped itself into a near

frantic state of indignation and outrage that bodies even more ill than the unions' relations with the miners and Chancellor Helmut Kohl's Government.

"I was taught by my teachers that 1933 would never happen again," roared Mr Ginter Schiesser, head of the police union, to wild applause. "Those responsible for this have chosen the I.G. Metall conference to show their power."

If that is true, it might have

been a mistake. Though somewhat relieved by unemployment, the country's largest union, I.G. Metall, is spoiling for a fight with the Government and are actively campaigning against its re-election.

Mr Lappas, arrested on the orders of a parliamentary committee controlled by Mr Kohl's



Mr Horst Schiesser

coalition, is chairman of the Betriebsvertragsgesellschaft für Gemeinschaftswirtschaft, the BGAG, a holding company owned by the unions.

The BGAG controlled the giant Neue Heimat property group which, with liabilities of DM17bn (\$58bn), was sold last month for a nominal DM 1 to Mr Horst Schiesser, who is in the baking business.

A major financial and political scandal has erupted in Germany about the terms of the sale, with 150 banks concerned for their DM 12bn loans and some 190,000 tenants for their homes.

Last week Mr Lappas refused to talk about the sale to the 11-member Bundestag commission investigating even older scandals at Neue Heimat. Seven members — five Christian Democrats, a Free Democrat and two Social Democrats — called in earlier this year to help Neue Heimat recover, said last week that some DM 4bn needed to be pumped in to the group to save it.

Mr Schiesser's strength, though, is the sure knowledge that the liquidation of Neue Heimat would be a greater disaster for the banks (and the Government and the unions) than for him.

Yet losses at Neue Heimat are running at some DM 600m a year. Mr Manfred Melzer, a former Dresden bank executive called in earlier this year to help Neue Heimat recover, said last week that some DM 4bn needed to be pumped in to the group to save it.

All Mr Schiesser, who described Neue Heimat as "a company capable of being cured," has won so far is an agreement by the banks to stand by their existing debt moratorium arrangements.

While the banks try to hold the line and prevent more smaller creditors from calling in their loans too early, the Government appears to be trying delicately to separate debate over the future of Neue Heimat from its desire to attack the unions for selling it.

Opec paralysed by disagreement over surplus production

BY RICHARD JOHNS IN GENEVA

THE ORGANISATION of Petroleum Exporting Countries (Opec) remained paralysed last night by the deep division over distributing an extra 200,000 barrels a day of production during the last two months of 1986.

Prospects were still uncertain after 15 days of the conference, for an interim pact limiting collective output and extending quotas. The quotas are due to expire at the end of this month.

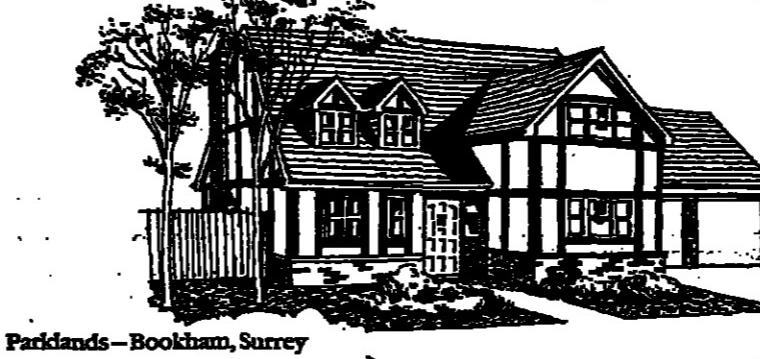
Kuwait rejected out of hand an alternative proposal by Mr Rilwan Alkman, Nigerian minister of oil, and current president of Opec. Under it Ecuador and Gabon would share 65,000 b/d. The rest, he suggested, should be distributed among other members (excluding Iraq) on the basis of the proportion set under the existing pact. The idea was that Saudi Arabia would make over its extra entitlement to Kuwait thereby giving the latter an additional 45,000 b/d.

This was totally unacceptable to Kuwait and therefore, its allies, which are seeking to exert once and for all their decisive muscle, particularly at the expense of Iran.

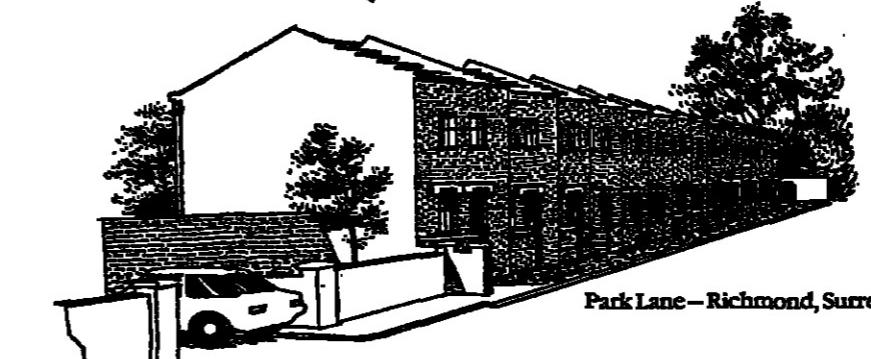
Kuwait wants to establish its "right" to a bigger share of Opec output and parity with Libya, which has a quota of 900,000 b/d under the present arrangement.



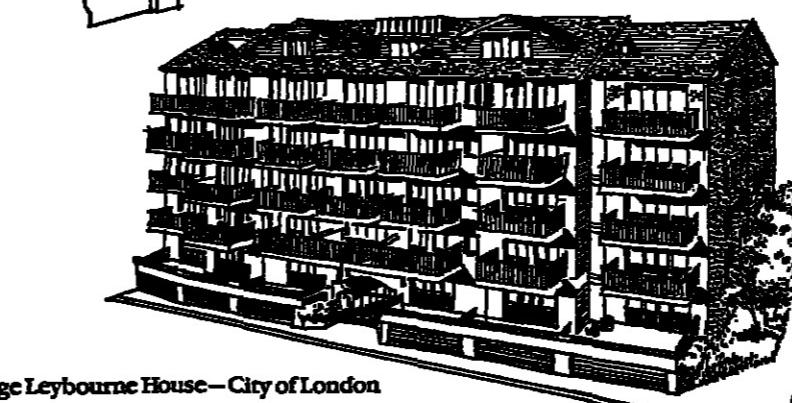
Briantspuddle Farm — Dorset



Parklands — Bookham, Surrey



Park Lane — Richmond, Surrey



George Leybourne House — City of London

FOUR LESSER KNOWN ADDRESSES THAT ARE STREETS APART!

Lesser Homes are becoming better known. Not just for the quality of development, but also for their creative use of land.

It's more than distance that separates Leybourne House from Briantspuddle Farm. Leybourne House is a prestige apartment and leisure complex for the City business community, a few minutes away from St Katherine's Dock. Wilton's Music Hall is next door, where George "Champagne Charlie" Leybourne started and is being lovingly restored to glory by a Trust which Lesser Homes are pleased to support.

Briantspuddle Farm enjoyed Lesser's local consultation programme to discuss the concept of real cottages with mixed thatch and clay roof tiles in true Dorset character and the community has been involved at every stage prior to planning application.

Parklands proves that no worthwhile site is too small for quality development. Lesser Homes are building just eight houses there, and very well they look too. A narrow, awkward strip of land on Park Lane in the heart of Richmond became an elegant

row of 14 terraced homes within easy reach of both London and the Surrey countryside.

What's consistent through all these, and other schemes, is an air of "belonging" and "rightness" that speaks volumes not only for the company itself, but also for the background of architectural and design flair within the entire Group.

More about the Lesser Group
The Lesser Group is a substantial and broadly-based property and construction company, family-owned and very professionally managed.

The in-house resources of the group cover all the management, creative and technical disciplines and experience to attract more and more names in a wide range of business.

You can find out more about Lesser Homes and the Group itself by filling in the coupon.

What you'll learn, is that Lesser is becoming one of the names to know:

To Lesser Homes Ltd, The Causeway, Teddington, Middlesex TW11 OHW
Tel: 01 977 8755
I'd like to know more about Lesser Homes developments in the South of England — and more about the Lesser Group, too.

Name _____
Company Address _____
Post Code _____

FT 21/10

LESSER HOMES

THE LESSER GROUP OF COMPANIES — DEVELOPING RELATIONSHIPS
LESSER HOMES, LESSER DESIGN & BUILD, LESSER LAND, LESSER BUILDING SYSTEMS.

THE DEATH OF MOZAMBIQUE'S PRESIDENT

Rebels say death will hasten end of war

By Peter Wise in Lisbon

EIGHT-WING rebels fighting to overthrow the Mozambican Government said in Lisbon yesterday that President Samora Machel's death had dealt a devastating blow to the army and the ruling Frelimo Party that would hasten the end of the country's nine-year guerrilla war.

"Machel was holding the country together," said Mr Evaristo Fernandes of the Mozambique National Resistance. "No one can replace him. He was the last link between the people and the Government."

He said the charismatic president, who toured the country tirelessly encouraging soldiers and workers, was the mainstay of army morale and that only man who could hold together the feuding factions in the ruling Marxist party.

"The armed forces were already totally demoralised and thousands of soldiers were fleeing into neighbouring countries," Mr Fernandes said. "They are losing their capacity to fight."

Mr Paulo Oliveira, of the MNR, said President Machel's death would bring a way to an end more quickly. "For the moment our military push will continue." He said he had no information on what caused the crash.

Rebel spokesmen in Lisbon were the first to state specifically that Mr Machel and top ministers had been killed in the crash. But they refused to disclose their sources.

The rebels, backed by South Africa, launched an offensive in the north and centre of the country this month and have claimed the capture of several strategic towns. They say they have killed 300 Zimbabwean troops.

Mozambican officials have called for more reinforcements from neighbouring Zimbabwe to meet the offensive and Britain has agreed to send military experts to train the army.

Mr Machel died as tensions between the two countries again rose to a head. Mozambique has accused South Africa of planning a raid on Maputo and the director of the national news agency, Ama, has said Mr Machel could be the target of a South African assassination attempt.

Anthony Robinson assesses the tragedy of Machel and his country
A man of peace caught up in wars



Samora Machel: flashing eyes and much personal charm

FOR 11 years until his death in an air crash on Sunday night President Samora Moises Machel of Mozambique presided over one of Africa's most tragic post-independence disaster stories.

Yet Machel, 53, an Algerian-trained former guerrilla leader who led his country to independence in June 1975, managed to retain a remarkable credibility which enabled him to plead his country's case for help and understanding both in Western capitals and in Moscow and also to survive the failure of the Nkunzi accord with South Africa in March 1984.

His death leaves a leadership vacuum at a time when the Government is again under strong pressure from Pretoria and apparently embroiled in an apparently endless civil war.

The great colonial estates were nationalised and turned into state farms. Factories abandoned by former owners and managers were handed over to workers' councils and thousands of abandoned homes were taken over.

Two years later, South Africa retook its long-standing arrangement under which part of the wages of Mozambicans working in South African gold mines were paid in gold and the miners employed were drastically reduced.

Shipment through the main port of Maputo also declined sharply. At the same time the Government's decision to support sanctions against the Rhodesian Government and assist the liberation movements fighting against the Smith regime led to retaliatory action by Salisbury of the most fateful was the setting up of a radio station to beam anti-Frelimo propaganda. From this point onwards, beginning sprang the Mozambique National Resistance whose supply and en-

couragement was taken over by South Africa after Zimbabwean independence.

Machel forged close links with Robert Mugabe, future leader of Zimbabwe, during the independence struggle and impressed on him the need not to repeat Mozambique's mistake and do all in his power to retain the confidence of whites and assure them of their future under independent black rule. It was the kind of pragmatic advice which indicated the way in which Machel's early ideological stance changed in response to the harsh realities of post-independence Mozambique.

But when a classic Soviet-dominated military operation to crush the South African-supported MNR failed in 1983 Machel drew the obvious but humiliating conclusion that his Government would have to mend its fences with Pretoria. This coincided with President Botha's desire for a foreign policy initiative to improve South Africa's image at a time when it was about to embark on a programme of controlled political reform of apartheid at abroad.

Earlier negative perceptions that the diminutive bearded Mozambican leader with flashing eyes and considerable personal charm was a Marxist ideologue dimmed after a series of meetings with western leaders such as President Reagan and Mrs Thatcher. Yet he still retained enough credibility with the Soviet leadership to be welcomed in Moscow and assured of continuing military and limited

home.

After weeks of secret diplomacy, and continuing military and other pressure from South Africa, the two leaders finally met on the Nkomazi River at night and were killed in an honourable agreement. To the dismay of frontline leaders and the African National Congress, President Machel formally signed an agreement to remove ANC bases from Mozambique in return for an undertaking that South Africa would cease its aid to the MNR and restore normal economic relations.

South African and foreign businessmen flocked to Maputo with hopes of major investment and trade deals. President Botha travelled around West European capitals proclaiming a new era in southern African relations and the ANC quietly decamped. Elements of the South African military and political establishment, deeply hostile to any kind of deal with a Marxist state, maintained clandestine contacts with the MNR.

As the civil war intensified, Machel embarked on a big diplomatic effort to drum up both economic and military assistance. He was able to project the image of a country doing all in its limited power to act as a stabilising force in southern Africa but hamstrung by invisible sabotage from abroad.

Earlier negative perceptions that the diminutive bearded Mozambican leader with flashing eyes and considerable personal charm was a Marxist ideologue dimmed after a series of meetings with western leaders such as President Reagan and Mrs Thatcher.

Yet he still retained enough



Marcelino dos Santos: caretaker leader

Maputo economy in steep decline

By Tom Hawkins in Harare

PRESIDENT MACELAHL's successor will inherit a war-ravaged economy whose gross national product is estimated in Maputo to have declined almost 40 per cent since 1982.

The Mozambique Prime Minister, Mr Mario Machungo, told the people assembly in July that since moderate economic growth between 1977 and 1982 GNP had fallen by a third by the end of last year. This decline has continued during 1986.

Mr Machungo said export crops had been particularly badly hit with cashew nut production down by two thirds to 30,000 tonnes in the past five years while cotton output plunged from 177,000 tonnes in 1981 to 22,000 tonnes in 1985. Cotton output has virtually ceased, falling to more than 70,000 tonnes four years ago.

This is attributable not only to the war but also to several years of severe drought. Mozambique's Ministry of Trade said recently that the country faces by a huge food deficit which would require food imports and total of 200,000 tonnes of grain between now and next April, almost half the estimated total of food consumed.

Pretoria's recent decision to repatriate an estimated 60,000 Mozambicans employed in South Africa will be a serious blow since Mozambique depends on earnings from migrant workers and transport services to help offset its trade deficit. It is estimated that the South African move will cost Maputo \$75m a year, more than a third of its estimated 1986 foreign currency earnings.

With exports dwindling as a result of the drop in farm output and the ports and railroads—the other main source of visible income—subjected to repeated sabotage by the rebels, the balance of payments position is untenable and Maputo is unable to meet foreign debt repayments.

ANC claims South Africa is responsible for downing aircraft

MR SIMON MUZENDA, Zimbabwe's acting Prime Minister, told the Foreign Affairs Committee we sent messages of condolences to Maputo extolling President Samora Machel's active role in bringing about independence in Zimbabwe. Today Hawkins

President Machel was a close friend and confidant to Mr Robert Mugabe, the Zimbabwean prime minister.

domination in South Africa, according to Pretoria, being directly or indirectly responsible for the crash.

President Machel's death is viewed in Harare as a potentially crucial regional development. Zimbabwe has about 6,000 troops in Mozambique protecting road, rail and oil pipeline links.

In Copenhagen, the African National Congress, the main guerrilla group fighting white

death, Reuter reports.

One official, who asked not to be identified, said it would have enormous implications for southern Africa.

In London, Britain expressed sympathy over the death.

The Foreign Office said: "President Machel was not only the architect of his country's independence ... he (also) strove ceaselessly to bring

peace to his own country and to the whole region."

In Sweden, one of Mozambique's biggest aid donors, Machel's death was described as a blow to the struggle for ending apartheid in South Africa.

In London, Britain expressed sympathy over the death.

The Foreign Office said:

"President Machel was not only the architect of his country's independence ... he (also) strove ceaselessly to bring

OVERSEAS NEWS

Australia faces uphill struggle on economy'

By Carl Sherwell in Canberra

SEVERAL YEARS of difficult economic restructuring and adjustment will be needed to stabilise Australia's rising external debt and to moderate its severe balance of payments problems, the country's leading economic advisory body has warned.

The assessment, published yesterday by the Economic Planning Advisory Council, which is part of the Prime Minister's office, is a sober reminder of the long-term nature of Australia's economic difficulties. The country is already suffering a slowdown in growth and employment expansion.

The council said the current account deficit, now just under 6 per cent of gross domestic product, could be halved by the end of the decade, provided certain wide-ranging policies were implemented. Even then the deficit would remain above the levels seen in the 1960s and 1970s.

The minimum requirement for long-term balanced growth, the council said, was stabilisation of the foreign debt as a ratio of GDP. The debt, now standing at A\$76bn (\$31.5bn) or 30 per cent of GDP, has risen from 6 per cent of GDP in six years.

Stabilisation at the projected future level of 40 per cent could be achieved without sacrificing economic growth, provided there was a swing from deficit to surplus in the balance of trade in goods and services.

This would be achieved through a range of policies: sustained real depreciation of the dollar, continued high interest rates, reduced consumption spending, increased domestic savings, a switch in demand for Australian products and strengthened investment to meet that demand.

Such a restructuring was practicable, the report said, but it acknowledged that the process would take time. Help could come from external factors such as stronger world growth or lower overseas interest rates.

The report pointed to progress by the Labor Government. It said fiscal restraint and moderation in the growth of labour costs were already helping to preserve the gains in competitiveness from the depreciation of the dollar.

Shamir pledges formation of a new Zionist economy

BY ANDREW WHITLEY IN JERUSALEM

MR YITZHAK SHAMIR, Israel's incoming Prime Minister, yesterday pledged to form a new Zionist economy, saying he would promote Jewish settlement in the occupied territories and create other conditions to renew flagging immigration.

Saying that Israel's economy must be based not only on solid economic foundations but also on Zionist values, Mr Shamir emphasised the supreme value of settlement throughout "Eretz Israel"—the Biblical name for the lands stretching from the Mediterranean to present-day Jordan.

He said a Zionist economy would not only create a higher standard of living but would protect the weaker members of the community by reducing disparities in society.

In his inaugural speech to parliament, Mr Shamir, 71, the Likud leader, foreshadowed a return to the traditional, nuclear values of the Jabotinsky two of them from Labour.

Mr Peres has taken over the Foreign Ministry vacated by Mr Shamir, while Mr Shimon Arbel-Almosine enters the Government as Health Minister in place of Mr Mordechai Gur.

Back in office is Mr Yitzhak Modai, the maverick former Finance Minister, now a cabinet minister without portfolio.

Mr Shamir wished the 1.4m

Palestinians living under Israeli rule in the West Bank and Gaza "a life of dignity and .. peaceful co-existence with their Jewish neighbours." But the local autonomy he proposed to grant them was conditional, he said, on an "absolute severance from terrorist organisations."

The National Unity Government, now beginning the second half of its planned 50-month life, would act unhesitatingly and unflinchingly in accordance with the previously agreed coalition guidelines, he said.

He reminded the dovish Labour Party, the chief coalition partner, that the structures included opposition to the creation of a Palestinian state in the occupied territories and to negotiations with the Palestine Liberation Organisation.

On the economy, Mr Shamir said a priority would be to reduce inflation, now running at an annual rate of 15 per cent, to the "level that is accepted in well-run countries."

Hong Kong prepares for Queen

BY DAVID DODWELL IN HONG KONG

HONG KONG was yesterday making hasty last-minute repairs to bunting battered at the weekend by Typhoon Ellen as it awaited the arrival of the Queen and Prince Philip.

It is uncertain whether Prince Philip's farewell to one of the territory's four Gurkha battalions will proceed as planned.

When people have been in Hong Kong for more than a day, moored in privacy in Double Haven off the north east coast of Hong Kong's New Territories, resting after an historic six-day visit to mainland China.

The future of the Gurkhas as part of the British Army has

been in question since China and Britain agreed to return Hong Kong to Chinese sovereignty in 1997. The Gurkha battalions are based in Hong Kong.

After royal embarrassment over comments made in Xian by Prince Philip about Peking and the Chinese people, the British Government's protocol officer in Hong Kong yesterday called on anyone talking to the royal couple not to pass on details of conversations to any of the 200 odd journalists.

Africa looks to private sector

BY VICTOR MALLETT IN NAIROBI

AN INTERNATIONAL conference to discuss the role of the private sector in Africa opens in Nairobi, Kenya, today at a time when many African governments are beginning to look to private business for solutions to the continent's daunting economic problems.

The report pointed to progress by the Labor Government. It said fiscal restraint and moderation in the growth of labour costs were already helping to preserve the gains in competitiveness from the depreciation of the dollar.

About 150 delegates representing businesses, governments and private development agencies, will examine how to encourage the often-ignored

private sector contribution to development in sub-Saharan Africa. The World Bank, the African Development Bank, the Aga Khan Foundation, the Kenyan Government and the Kenyan Association of Manufacturers.

Western economic solutions and private businesses have increasingly found favour in Africa in recent years after the frequent and sometimes spectacular failures of the unwieldy state-owned corporations which came into being after independence from colonial powers in the 1960s.

TODAY, ONE IN THREE CLEANING CONTRACTS ENDS IN DIVORCE.



housework. That's why OCS are probably the most powerful force in office cleaning today.

As a family business OCS are known for their unique, personal approach to supervision and quality control.

The most senior OCS management are never remote figures either to the customer, or to the men and women who are trusted with the keys to your office building.

We think a call to OCS on 01-242 8800 could well make you less cynical about office cleaning.

After all, before you get into bed with another contractor, shouldn't you meet the family first?

OFFICE CLEANING SERVICES LIMITED

OCS Changing Venues—Unchanging Values

HEAD OFFICE: 28-36 EAGLE STREET, LONDON, WC1R 4AN TELEPHONE: 01-242 8800
A MEMBER OF THE OCS GROUP OF COMPANIES—THE NATION'S LEADING PROPERTY MAINTENANCE GROUP

AMERICAN NEWS

Weinberger breaks ranks on Star Wars

BY LIONEL BARBER IN WASHINGTON

THE REAGAN Administration's attempt to put across a unified line on arms talks with the Soviet Union broke down yesterday when Mr Caspar Weinberger, the US Defence Secretary, announced he was opposed to any limit on testing of the strategic defence initiative (SDI), the space-based defence system.

Mr Weinberger's public intervention in the arms debate is his first major statement since ending a tour of China and the Far East, concluded with an optimistic assessment of the possibility of an SDI deal by Mr Larry Speakes, President Reagan's chief spokesman.

Mr Speakes said that the Soviets had told the White House that they would like to reopen arms talks, the issue on which an arms control agreement was signed at the Reykjavik superpower meeting. But Mr Weinberger said in television interviews from Frankfurt, West Germany, that he had no indication that Moscow was prepared to allow limited testing of SDI outside the laboratory. In any case, he was opposed to any Soviet limit.

The US Defence Secretary said: "I think an attempt to

limit what we do is an attempt by the Soviets to maintain the monopoly that they have had as they worked on this (an anti-missile defence) for 17 years."

He said the US should not agree to any testing limits because everything possible should be done to enable deployment of the system.

Over the weekend, Mr George Shultz, Secretary of State, Mr Donald Regan, White House Chief of Staff, and Admiral John Poindexter, National Security Adviser, all suggested that there was the possibility of reaching an arms control agreement with the Soviet Union.

The Soviet position has been unclear in recent days, with conflicting statements by officials on whether proposals for deep cuts in strategic nuclear arms were linked to an agreement on SDI testing which they had insisted should be confined to the laboratory.

Mr Shultz suggested in a weekend interview that the apparent linkage might be broken at arms talks in Geneva. The latest statement by Mr Speakes is a sign that the Soviets may be modifying their position.

White House angered by expulsions

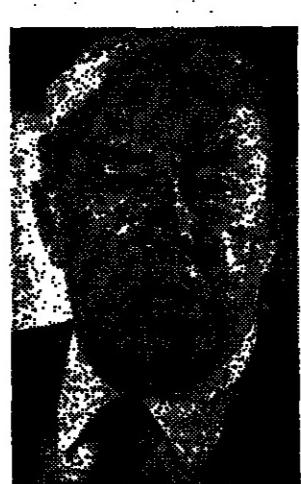
THE WHITE HOUSE yesterday expressed outrage at the Soviet expulsion of five American diplomats. Reuters reports from Washington.

President spokesman Mr Larry Speakes said the United States rejected Moscow's contention that the five had engaged in activities "incompatible with their official status," a euphemism for spying.

Mr Speakes said the embassy had protested in Moscow when told of the expulsion order but no written protest had been lodged. "Nevertheless, we are upset, outraged and chagrined," he said.

The Secretary of State, Mr George Shultz, said Washington would take some action but he refused to discuss what options were under consideration.

Moscow's expulsion came after the United States ordered



Shultz: promise of action

25 Soviet employees of the United Nations to leave. The United States would continue with its instructions to the Soviet Union to cut its contingent at the UN.

The expulsions were not expected to be a major setback in US-Soviet relations,

Nicaragua puts captured US airman on trial

BY PETER FORD IN MANAGUA

THE AMERICAN airman captured by the Nicaraguan rebels earlier this month went on trial before a revolutionary tribunal yesterday accused of violating national security by delivering arms to the US-backed Contra rebels.

Mr Eugene Hasenfus was charged under Nicaragua's law for the maintenance of order and public security. He has undergone two weeks of interrogation since he was shot down on October 5, and faces up to 30 years in jail.

His trial is expected to be fairly brief. The popular Anti-Somocista Tribunals (TPAs), created to try national security cases, are designed to dispense speedy justice outside the normal judicial system.

This approach has drawn criticism from international human rights groups, who have argued that the accused do not have time to prepare an adequate defence. A US embassy official said Washington would be satisfied if Mr Hasenfus received a fair trial. "He will

not receive a fair trial on the TPA," the official said.

Reuter adds from New York: Mr Hasenfus said in a television interview at the weekend that Mr George Bush, the US Vice-President, knew about covert US-backed missions to supply rebel forces and that he believed the Central Intelligence Agency was responsible for the operation in which he was captured.

He denied any political motivation and said he was in Central America only for a job, "which paid about \$3,000 (£2,100)" a month. About 14 Americans were involved in secret supply operations flying out of El Salvador, he said.

The Nicaraguan President, Mr Daniel Ortega, said on television he thought it was possible that Mr Hasenfus was a victim rather than a criminal.

Asked if it was possible that Mr Hasenfus might return to his family in Wisconsin by Christmas, Mr Ortega said that the Sandinistas had shown mercy in the past. But he made no specific pledge of leniency.

Heavy demand likely as US eagle coin takes off

BY DAVID OWEN IN CHICAGO

THE EAGERLY awaited US eagle, the first gold coin minted by the US Government specifically for the purpose of investment, was launched yesterday with the first orders being taken from 25 direct distributors worldwide.

Initial demand for the coin, which will be 21.67 per cent gold and available in one tenth, one quarter, one half and one troy ounce, is expected to be extremely heavy, with gold dealers reporting considerable pent-up interest both in the United States and elsewhere.

The launch comes at a time when gold prices are riding high at \$425 per troy ounce after an extended lull last year.

The eagle is one of a number of new bullion coins planned by various governments to take advantage of the widespread ban on the Krugerrand, the South African former market leader.

The Krugerrand's dominant position has now been usurped by the Canadian maple leaf, a 22.59 per cent gold coin available since 1979. In 1985, the maple leaf commanded an estimated 65

per cent of the market with sales of 1.5m troy ounces.

Other countries planning to launch bullion coins soon include Australia, Luxembourg, New Zealand and Brazil. In addition, Japan has planned 10m numismatic coins to honour Emperor Hirohito's 60th anniversary as Emperor, to be sold mainly in Japan from next month.

The Hirohito issue will be a collector's item rather than an industrial vehicle, since the coin's 100,000 yen face value far exceeds that of the 20 grams of gold it contains.

The eagle, like the maple leaf, to which it poses a severe threat, particularly in the US, will be sold to wholesalers at a 3 per cent premium to the value of its gold content. This would typically translate into a retail premium of 5 to 8 per cent.

Many observers expect heavy demand for the eagle to create a shortage of coins at the outset and drive up premiums.

And now we at Kleinwort

Samba songs seduce baffled Brazilian voters



BY IVO DAWNEY IN RIO DE JANEIRO

SIXTY-NINE million Brazilian voters, 26 per cent of them illiterate, have now just under one month to make up their minds who will represent them in Congress, in a new constitutional convention, and in 24 state assemblies and governors' palaces.

The elections, the most important since the military coup of 1964, are baffling in their complexity, the mechanics and their implications. Thousands of candidates—2,000, according to some—representing 38 parties of largely ill-defined ideology.

The elections, the most important since the military coup of 1964, are baffling in their complexity, the mechanics and their implications. Thousands of candidates—2,000, according to some—representing 38 parties of largely ill-defined ideology.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Perhaps more importantly, however, those elected will also form the political and ideological raw material for the definition of a new constitution—the country's eighth since independence in 1825.

Lastly, the polls will give the first clear clues as to who could be the most potent candidates for the Presidential succession.

The fact that more than 100 other candidates have inspired the big spenders in the gubernatorial races.

For many, the security of Brazil's embryonic democracy remains a paramount issue. Mr Helio Jaguaribe, the distinguished political scientist charged with formulating a strategy for social policy until 2000, said last week: "Military rule is not a beast; we are vaccinated against forever. We are a free people."

The costs of the process would seem to bear them out.

A successful candidate for federal deputy can expect to earn between \$100,000 and \$425,000 on his campaign to gain a post with a salary of \$3,000, one embittered drop-out claimed.

In the key governorship of Sao Paulo, the two principal runners are both multimillionaires and neither has denied reports that he is spending

some \$60m, the kind of money that used to win US Presidential races not long ago.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Perhaps more importantly, however, those elected will also form the political and ideological raw material for the definition of a new constitution—the country's eighth since independence in 1825.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Perhaps more importantly, however, those elected will also form the political and ideological raw material for the definition of a new constitution—the country's eighth since independence in 1825.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government. They will define the significance or otherwise of many new parties and indicate the relative strength of Brazil's democracy, 20 months after the military surrendered power.

Such prodigal spending has been provoked by three factors. First, the elections are seen as an important gauge of the popularity of President Jose Sarney's Government.

WORLD TRADE NEWS

US overtakes UK in collaborations with India's industry

BY JOHN ELLIOTT IN NEW DELHI

THE US has replaced the UK as one of India's major sources of industrial collaboration for technical co-operation and equity investment and now accounts for one-third of the total of foreign investment in Indian business.

This estimate was announced yesterday by Mr J. Gunther Dean, US Ambassador in New Delhi, who has launched a review of US involvement in Indian industry. It shows that about 75 per cent of more than 850 US collaborations have been established since 1980.

Mr Dean praised changes in India's investment climate during the past five years, and especially since Mr Rajiv Gandhi became Prime Minister nearly two years ago.

"Few Western countries have found it easier to work out joint ventures in the past two years than before, so people have been able to consummate what they had been talking about before."

His remarks come a week after the US went out of its way to stress that it wants to develop a new relationship when Mr Caspar Weinberger, US Defence Secretary, visited New Delhi.

Following Mr Weinberger's visit, joint production of defence equipment is to be explored and a US team will visit New Delhi next month to see whether India will provide sufficient safeguards for the US government to allow it to buy a super computer from Control Data or Cray.

Mr Gandhi said in Delhi yesterday that India did not allow foreign technology if received to leak out of the country. He also said that India was "look-

Cyprus barter move

BY SIMON HENDERSON, RECENTLY IN NICOSIA

CYPRUS HAS asked the Commonwealth Secretariat in London to help organise advice on countertrade policy.

The Secretariat, through the Commonwealth Fund for Technical Co-operation, has sought competitive bids from among British banks to send an advisory team to Cyprus. The winning bank is expected to be elected shortly.

The advice it gives could be crucial in deciding who wins

contracts for a 60 Mw turbine generator and a boiler for the construction of the Dhekelia "B" power station in the south-east of the island.

Companies tendering for the contracts were told that proposals allow for payment in a mixture of cash and acceptance of Cypriot products. Cyprus is anxious to sell more of its wine, brandy, cement and asbestos, none of which have established exports markets.

Financial revival for Euro-motor industry

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

A MAJOR revival of the European motor industry's financial fortunes is under way which will propel it to an aggregate net profit of \$2bn in 1986. Even so, the price corrections between them will be looking for an additional \$2.5bn to have each for the next three years from shareholders or financial markets.

"Improved profitability should not be interpreted as reducing the pressure to form further alliances and collaborative agreements in the industry," according to Mr John Lawson, director of automotive research and managing director of the DRI Europe forecasting group.

Although US collaborations have overtaken the UK's, Indian Government figures show the US itself was overtaken in the first half of this year when West Germany finalised 70 new link-ups compared with 67 from the US, 42 from the UK, and 41 from Japan.

The US continued to lead in financial collaborations which shows that despite outsporadic reservations about Indian investment in the US, US companies are providing more equity stakes than other countries.

The US study is also important because it tries to assess the number of current collaborations, which are more significant than the total sum agreed since 1987, published regularly by the Indian Government.

The UK tops the post-1987 list with 2,032 collaborations but its High Commission in New Delhi has no statistics on how many are still operating.

The US study shows over 850 companies with 1,885 agreed from 1987 to 1986, indicating that about half either do not go ahead or expire.

West German figures show that 40 companies have 502 operational collaborations out of 1,728 agreed between 1987 and 1986.

France signs deal to supply Saudi navy

By Paul Barre in Riyadh

FRANCE HAS signed an agreement to provide supplies and technical help to the Saudi Arabian navy.

The contract, for an undisclosed amount and duration, covers the four Exocet-carrying frigates France has sold to the Saudis. The last of these vessels was delivered this summer.

Mr Andre Gitan, the French Defence Minister, and Saudi Minister of Defence, Prince Sultan bin Abdulaziz, also agreed the French AMX-40 should be shipped to the kingdom for field tests. Saudi Arabia currently uses French AMX-30s and American M-60s.

France also offered the Mistral shoulder-fired anti-aircraft missile, which could fill the gap left when the US Congress stopped the sale of US Stinger missiles to the Saudis.

Mr Giraud also discussed sales of Mirage 2000, Mirage 4000 and Rafael advanced fighter aircraft.

The most recent French arms coup was the \$45m Shabine-Crotale Missile deal.

will have a major impact on their financial results in 1987 and for the moment their net profitability appears to have peaked.

"The major volume manufacturers (Fiat, Ford of Europe, General Motors of Europe, Peugeot-Citroen, Renault and Volkswagen) in contrast are witnessing an impressive resurgence of financial results; after a string of aggregate losses totalling \$2.5bn in the past six

years, the industry has shed 10 per cent of its direct labour in the past five years and invested very heavily in flexible automation. Every new model from a major manufacturer marks some further advance.

There has also been a subtle change in the perception of the industry's future," said Mr Lawson. This has created a brighter climate and helped companies tap financial markets for further permanent capital, thus reducing indebtedness.

Another important element in the recovery is that national car companies are being given a further stage of treatment as commercial companies under strict management teams," said Mr Lawson.

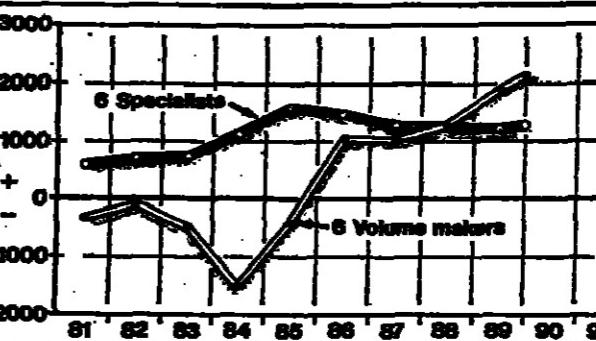
External — and temporary — factors contributing to the recovery included the oil price fall which has fuelled a consumer boom in Western Europe with record sales of 11.3m cars expected this year. Input costs have fallen and declining interest rates on the industry's \$40bn of debt is a major boom.

Mr Lawson said higher prices are forcing the consumer to foot a larger share of the burden previously borne by share programmes.

While the current imbalance between manufacturers' needs and resources persists, even the strong volume producer have little room to manoeuvre, Mr Lawson pointed out.

"We at DRI still expect to see new partnerships formed between European and Japanese companies. There will also be further partnerships with other Western manufacturers."

EUROPEAN CAR MAKERS NET PROFITS (millions ECU)



EEC-Asean to set up investment committee

By John Murray Brown in Jakarta

A JOINT investment committee is likely to be set up as a result of the EEC-Asean (Association of South-East Asian Nations) foreign Ministers meeting, officials said yesterday after the first round of talks in Jakarta.

There seems, however, to have been little progress on the more problematic issues of trade barriers and the establishment of an Asean common market.

The six-member Asean group, made up of Indonesia, Malaysia, Thailand, the Philippines, Singapore and Brunei, are keen to increase the volume of trade with individual members of the community.

Asean has been particularly hard hit by the recent price collapse of oil and commodities, which are the mainstay of their economies.

European officials, however, are at pains to point out that Spain and Portugal recently joined the Community, an increase in trade with Asean is unlikely.

Asean members are also pressing that the European Investment Bank be used to provide risk capital for any prospective European investor.

A major obstacle to investment remains the high tariff imposed by most Asean countries. This is also an impediment to trade between individual members of Asean.

On the setting up of an Asean common market, no common policy appears to have emerged.

With so much difference between market-oriented Singapore and state-run economies like Indonesia, European officials are privately ruling out any short-term possibility of a consensus on an Asean common market.

Malta seeks redress on Italian trade

By Godfrey Grima in Valletta

DR CARMELO MIFUD BONNICK, Malta's Prime Minister, has renewed his call for Italy to redress a \$M 40m (\$30m) trade imbalance with Malta.

Mr Mifud Bonnici disclosed that shipments to Italy last year stood at \$M 17.5m while imports from that country rocketed to \$M 57m.

The Prime Minister told supporters that the island could not afford to maintain this level of trading with countries which made only a slight effort to increase purchases of goods made in Malta.

The Prime Minister's reference to the trade difficulties with Italy indicates that the two countries may be close to signing a long-awaited bilateral accord covering military, political and economic ties that was being suggested by government sources in Malta last week.

It is understood that Boeing, which has about 40 per cent of the airbus jet toilet market, particularly liked the low weight and Jameson's streamlined design.

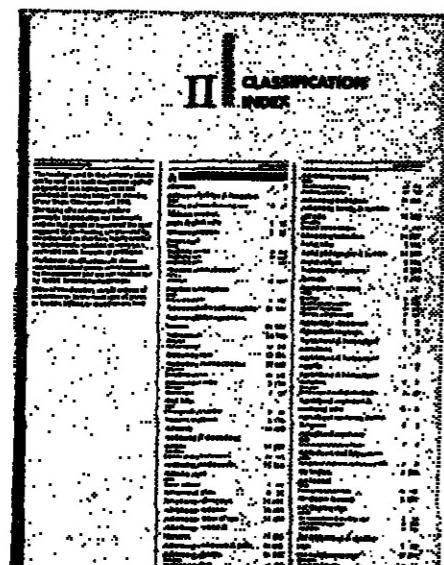
Dr Mifud Bonnici favours the signing of the agreement to balance a similar accord signed with Libya by Mr Dom Mintoff, the former Prime Minister, shortly before he left office at the end of 1982.

Petrofina signs Moscow deal

PETROFINA, Belgium's largest industrial company, said it has signed a scientific and technical cooperation agreement with the Soviet Union. Reuters reports from Brussels.

It said the co-operation would initially cover the chemical, petrochemical, biotechnology and industrial energy saving sectors, but could be extended to other areas later.

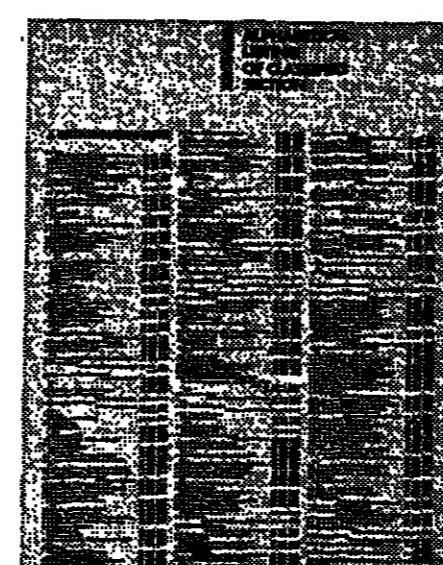
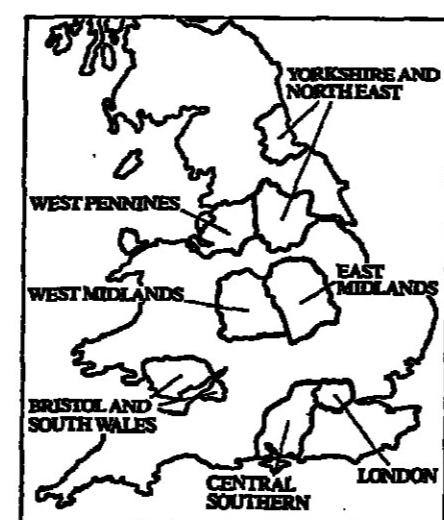
Business Pages. A directory, not an indirectory.



As far as directories go, ours is the business.

Business Pages has been carefully designed to solve business problems, not create them.

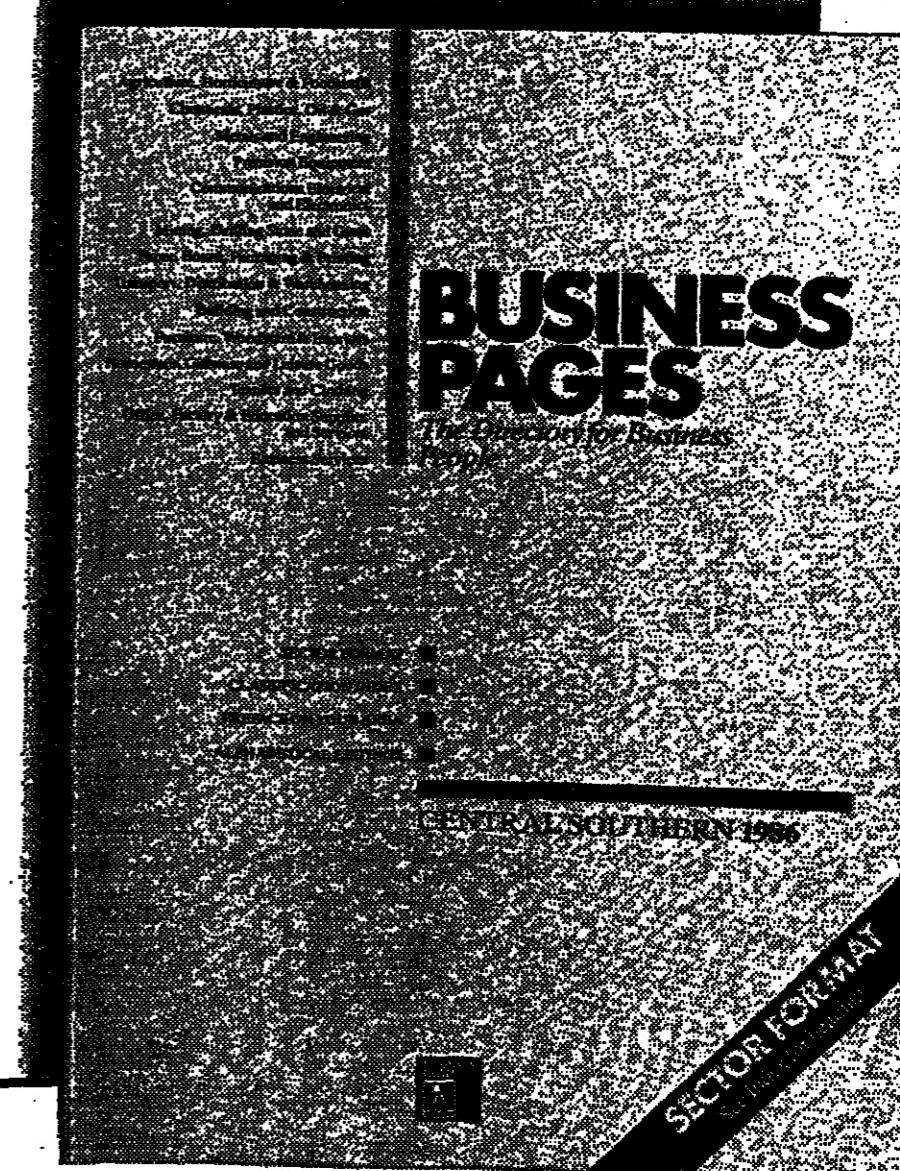
There's a useful 14-sector format to save you time. (Under 'Business Services' for example, you'll find everything from banks to banquets.)



editions. Each relates to one of the major industrial/commercial centres in Britain.

If you're based in one of these areas, every year we'll send you your first local copy free (unlike most of our competitors).

All in all, we think you'll find our new format more informative.



Lufthansa today:

What does today's business traveller expect of his airline?



Our answer to this question starts on November 1, 1986: with Lufthansa's new way for business travellers to fly within Europe: First and Business Class. Exclusively. Our Business Class really is new: with new, roomier and more comfortable seats. With more legroom, too: a spacious 86 cm is the differ-

ence between you and your neighbour in front of you, and between us and many another airline. Use our Advance Seat Reservation for any international route at normal fares when you book your flight and enjoy our in-flight service with complete menus on all border-crossing routes no matter what

the time of day. If you'd like to know more about what Lufthansa is doing for today's business travellers we have a leaflet that contains all the details. Your copy has been reserved for you. Ask for it at your nearest Lufthansa office. Reference: Europe.



Lufthansa

TECHNOLOGY

MAJOR PLAYERS in the electronics industry, such as Philips, Sony and Hitachi, are racing towards the introduction of an exciting new technology which will capture video, data and audio on a single compact disc. Called CD-I (compact disc interactive) it will allow interaction between sound, text and pictures, and is set to have a significant impact on the electronic publishing industry.

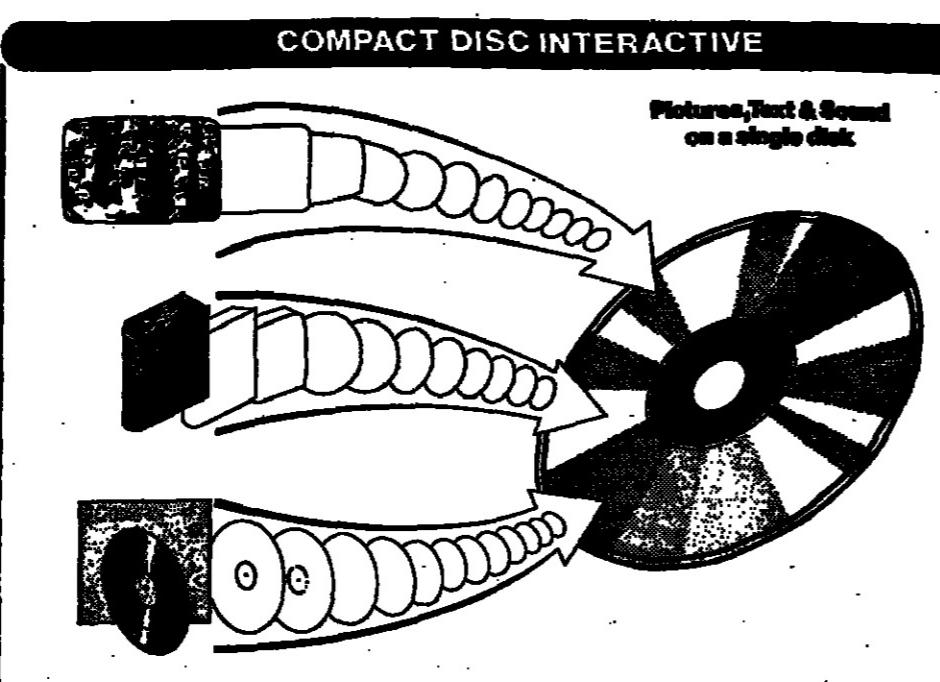
Equipped with screen, keyboard and hi-fi system, for example, you could slot in a 4.7-inch optical disc, able to hold enough information to form a stack of printed paper 30 feet tall and weighing 350 lbs. Then, by keying in the name of a composer, you could listen to his music while watching relevant still or moving pictures concerning the score of a chosen composition. Alternatively, given the appropriate disc, one might just as easily enter the name of an industrial area, and obtain data, pictures and commentary about the location, its people, building sites, the companies already there and so on.

Mr Bryan M. Turner, president of European interests Metric of the UK, believes CD-I will change the nature of books, publishing and libraries. Speaking at a recent conference on electronic publishing, staged by On-Line International in London, he described the new technology as "the electronic printing press of the future."

CD-I is the next stage beyond digitally recorded sound on compact disc in the home and CD-ROM, the read-only digital memory system for storage of computer data. It is a result of the fact that today, all information is easily digitized into tiny laser engraved marks on the surface of a disc, whether it is speech, music, text, line graphics, still pictures or video.

Philips, Sony and Hitachi will be important system suppliers and many software companies will emerge to meet the needs of information vendors. Hitachi, with software company Silver Plate, has been quick on the mark with CD-ROM and the UK Post Office will sell This holds all UK postal addresses for quick and easy access.

Turner thinks that catalogues, both for industry and consumer markets, will also undergo great changes due to CD-I. The disc catalogue will be cheaply mailed, take up little space, and will obviate printing. Product choice is immediate—no paper pages have to be turned. He says: "If you want to see a selection of men's dress shirts, that is what will be shown. He also suggests customised selection: if a birthday present is to be bought for example, the user



Interaction on frontiers of electronic publishing

Geoffrey Charlish examines prospects for the next leap forward in optical recording

keys in such items as sex, age, hobbies and spending level, whereupon the system, using its microprocessor "brain," shows only the products that meet the criteria.

These systems will probably become mobile. For example, before touring a country by road, a suitable disc will be bought that will cross reference map, guide book, hotel and similar data. Whatever the source, the nearest suitable hotel, garage, or restaurant could immediately be brought up on the screen—a complete road map of the US could easily be stored on one disc.

For CD-I to succeed, however, necessary terminals will have to be reasonably low cost, common objects around office and home. That means volume production which in turn means standards. High Sierra, the industry's standards group, which includes Philips, Sony and Microsoft, the US developer of computer operating system MS-DOS, is already drawing up industry standards for CD-ROM, which is mainly concerned with

text and data (although graphics are possible). However, these standards will need to be extended into the multimedia world of CD-I. Philips and Sony have already made firm proposals. Outlined at the On-Line conference by Simon Turner of Philips Redhill laboratory in the UK, they define what can be present on a disc and how it is coded.

Among the problems is the fact that CD-I contains information like video and audio as well as text and still pictures. For example, they all need different error correction levels, the means by which the accuracy of digital signals is assured. But the aim has been to make certain that a CD-I system can play both CD audio discs and CD-ROM data discs, widening the market.

Mr Nick Rogers, marketing manager for Hitachi's new media products in the UK, has some reservations about the emergence of CD-I standards proposed from Philips so soon after industry agreement on CD-ROM. He thinks the world

has yet to digest CD-ROM, let alone countenance what he thinks is basically a new consumer product from Philips. Many people however, think early standardisation, albeit commercially "imposed" by Philips and Sony, is a good thing and cite the audio cassette, which followed a similar path, as a shining example.

In any event, there is likely to be some market conflict between CD-ROM, which operates through existing personal computers and screens, and CD-I, which is an integrated, comprehensive, stand-alone product which may or may not be limited to home use.

The technology is unlikely to be confined to encyclopedic applications. Professional taxi books for example, are expensive to typeset, transport and store. Companies like Pergamon in the UK are known to be looking at optical media as a means of distributing such products.

With CD-I, the "book" could become a complete textual

audio and visual presentation, programmed to maximise learning or simply to make the subject that much more interesting to the "reader."

Nevertheless, both CD-I and CD-ROM face competition from other electronic information systems. The idea of portable, optical storage is not entirely new. The US company Drexler was set up nearly five years to promote a system that puts data on a credit card-sized piece of plastic. The technology has been licensed to many of the world's big electronics and information companies, including Pergamon, Canon, Ericsson, Fujitsu, Honeywell, Matsushita, NCR, Sharp and Wang. There have been some difficulties however, in developing suitable low-cost readers.

Even so, Blue Cross, the US insurance and health services group, is putting individual medical records on the cards which plug into screen/key-board viewers in ambulances and hospitals.

At the same time Microfilm and electronic hybrids of it will persist, as will on-line data services from big, central computers. Given wide-band (high data capacity) telephone lines to homes and offices, in the forthcoming world of ISDN (integrated services digital networks), information of the CD-I variety will be just as easily sent over telephone lines. Relative costs will decide matters, but little is known yet.

At the other end of the electronic publishing chain is the compilation of the information in the first place. Before long no doubt authors will write into electronic stores for "direct transference" to the "book discs." Similar things are happening in newspapers and magazines, although the final output is still paper in most cases.

Enhanced forms of word processing that allow text to be seen on the screen as it will be printed, in various fonts, and for illustrations to be suitably placed, are coming on to the market. Apple, Xerox and IBM are three important contenders in this field. For conventional information publishing, the material is then sent straight into a phototypesetter or, increasingly, to a laser printer.

Such electronic publishing is increasingly used in companies like Boeing, General Motors, British Aerospace, Vickers and the world's car companies, where technical service manuals are to be reproduced and updated. At this end of the business, however, software designers are still grappling with the problems of mixing text and graphics on monochrome screen desktop terminals economically.

In the EEC should launch it into

Doubts over Europe's ability to meet date for digital radio

that, technically, there is little difference between the various digital systems proposed. But Professor William Gedling, Plessey's technical director, speaking at a recent Stockholm conference on mobile radio, said the study had found that "many of the existing proposals are too complex to be put into service by 1990," although simpler versions might be achievable in the time available, to be improved later.

Technically, an advantage of going digital is that such systems will interface naturally with the forthcoming fixed digital phones (ISDN, or integrated services digital network) that will carry text, data, speech, pictures and video.

Furthermore, digital transmission is not subject to noise (audible hiss). Also, with the time division approach (explained below) it is claimed that the effects of multi-path fading can be reduced; when

Existing proposals are too complex to be put into service by 1990'

signals arrive directly and also after reflection from some nearby object, they can partially cancel each other out, corrupting the signal. This is particularly important when digital data rather than speech is being sent, since wrongly transmitted numbers or characters will result.

Britain is unlikely to remain outside any new system because it is becoming evident, according to the study, that the present UK cellular services will suffer from channel congestion by 1990, despite of technical initiatives such as cell division and serial sectoring.

Clearly, any new UK capacity ought to conform to the new European standard—if any can be agreed.

The UK will have to run analogue and digital cellular services side by side for some time, but the new system will be compatible with the old one over the fixed phone network. Initially, only users urgently needing pan-European services (long distance road haulage is a good example) are likely to install digital equipment.

The Plessey/DTI study finds

The good news is
FERRANTI
Selling technology

In narrow band TDMA, the alternative system proposed by Bosch of Germany, Marca of France, and Ericsson of Sweden, the block is only 1 MHz wide. It embraces fewer users, is simpler to implement but can be more prone to data corruption.

The main issue between the rival digital systems is one of cost and data quality rather than system capacity (for which gains are not expected to be dramatic). TDMA is cheaper than analogue because wide-band tuning is less complex (there is no need for the mobile equipment to be able to tune to many different frequencies).

But according to the Plessey study, these matters fall into insignificance compared with the likely problems of getting the European countries to agree to a single digital standard via the CEPT (Committee Européen de Postes et de Télécommunications—the representative body of the PTTs).

Professor Gedling sees four difficulties, none of them technical. First, there are some 20 companies that want to exploit the estimated \$100m world market for cellular over the next 10 years. But analysis shows there may only be room for three or four equipment sources, probably in consortia form.

Second, Europe has a history of not agreeing about such things: there are different TV standards, mains sockets—even the telephone dialling tones are different.

Third, Europe's aspiration of matching its cellular radio specification to that of Japan and the US is likely to suffer at the hands of commercial interests. Gedling says: "European electronics-based industries which have been seriously weakened by this ill-judged pragmatism include computers, semiconductors, office equipment and consumer electronics."

Finally, the Plessey director believes the PTs are not structured to encourage cross-border interchange of products and that the CEPT needs better arrangements for consulting with manufacturers and user groups.

Geoffrey Charlish

Merrill Lynch offers the sophisticated investor worldwide opportunities for diversification.

Like many of today's investors, you're probably interested in putting your money to work for you on an international scale. But how can you make a globally diversified investment that has the potential to provide an attractive total return—and also seeks to manage investment risk?

Look into the Multi-Currency Bond Portfolio offered by Merrill Lynch International & Co. and organized under the laws of Luxembourg as a société d'investissement à capital variable. It's a total return portfolio comprised of high-grade corporate and government securities from around the world. As such, it offers the potential for growth through capital appreciation from worldwide interest rate and currency fluctuations, and income.

In addition to international diversification, the Portfolio offers a full range of both government and corporate bond issues. And that helps to reduce your investment risk. Hedging instruments can minimize your risk even further.

You'll find added comfort in knowing that the Portfolio—and your investment—is managed on a full-time basis by Merrill Lynch Asset Management professionals currently responsible for the management of over \$70 billion in assets, more money than any other investment firm worldwide.

The Multi-Currency Bond Portfolio is designed to provide you with the attractive

returns, reduced risk and global diversification you may be looking for. And shares are convenient and easy to purchase.

Subscriptions are received only on the basis of the prospectus, dated October 8, 1986. A free copy of our brochure and prospectus may be obtained from Merrill Lynch International & Co. Or, subject to all applicable laws, from any Merrill Lynch Financial Consultant. You may also write to the registered office of the Multi-Currency Bond Portfolio at 2, Boulevard Royal, Luxembourg, or simply return the attached coupon.

Please send me your information brochure and a copy of the prospectus dated October 8, 1986 of the Multi-Currency Bond Portfolio.

Return this coupon to:
Kathleen Willshire
Merrill Lynch Europe S.A.
Luxembourg Branch
Bvd. de la Pétrusse 68-70
L-2320 Luxembourg
Tel:(352) 495156

Name _____

Address _____

Tel. (Home) _____

Tel. (Business) _____

FT 10

© 1986 Merrill Lynch, Pierce, Fenner & Smith Inc. Member SIPC.

Merrill Lynch

TRACTION. An automatic traction system stops wheel spin dead in its tracks by shutting off fuel injectors one by one until grip is regained. Takes a few milliseconds.

Custom design of automotive componentry is part of our work within electronics. So is avionics, where we develop system software, simulations technology and advanced maintenance systems.

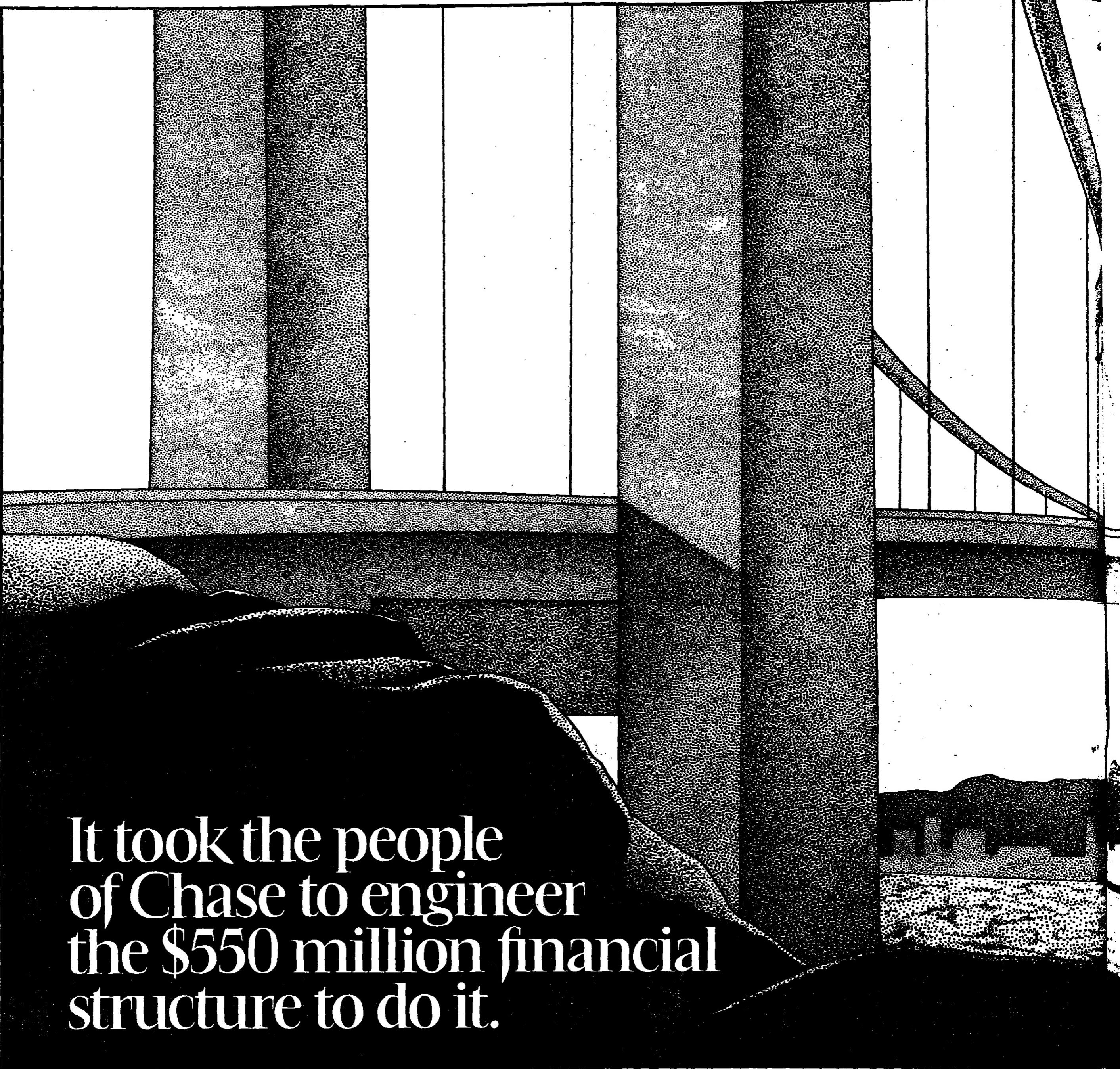


FRACTION. This steel sphere, 40-millionths of a meter big, was found in the oil system of an aircraft engine. Undetected, enough of them can completely ruin an engine or cause a crash. Our materials technology division offers superb problem identification and failure diagnostics.

We're the FFV Group, active in electronics, aviation, and defense. For the facts write: FFV, Dept. I-320, S-631 87 Eskilstuna, Sweden.

FFV

Only a
global power
could bring
two
continents
like
Europe
and Asia
together.



It took the people of Chase to engineer the \$550 million financial structure to do it.

It takes more than steel and sound engineering to build a bridge that connects the European and Asian sections of Turkey.

It takes powerful banking skills, too.

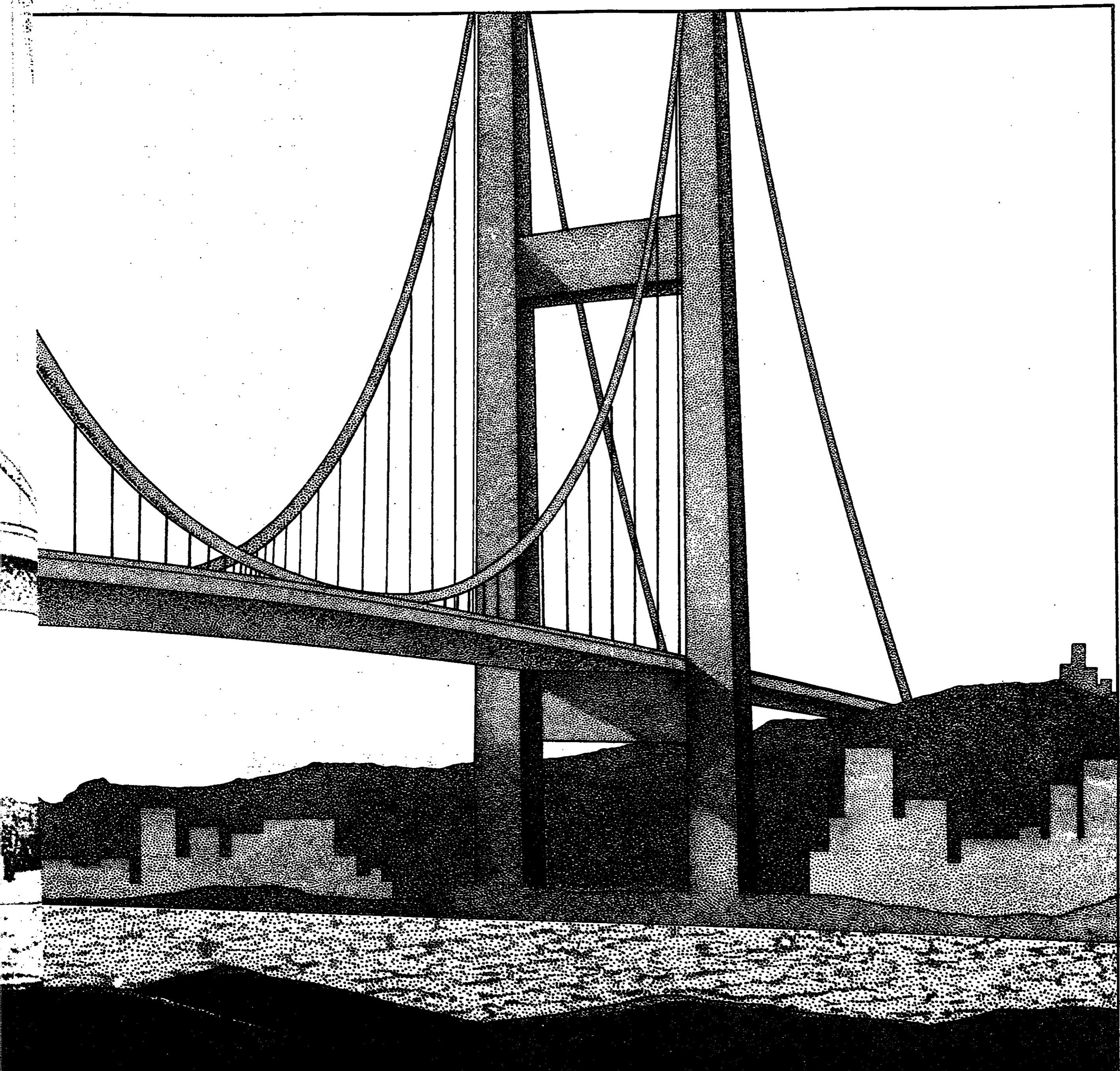
And to the construction consortium that won the bid to build the new bridge, there wasn't a bank with better ability than Chase.

Because out of the 50 or so major financial institutions in the world, Chase offers a combination of characteristics no other bank has.

For one thing, there is our size and strength. And our true global network (which, in this case, was a collaboration among our offices in Turkey, Italy, Japan and the U.K.).

This helped us put together the international banking consortium that was needed.

And it also gave us the edge in knowing the market well enough to determine not only where the money could best be raised from both bank and



on-bank sources, but also the best ways to finance the financing.

Most important, there's our people. People with expertise in all fields. From syndication experts to trade finance specialists to export credits and aid loans. To our undisputed leadership in project finance. All of which were vital to this endeavour.

And, all in an environment that effectively combines commercial and investment banking skills like no other financial institution.

This total global banking capability

that integrates size, international network, specialized industry knowledge and the broadest range of commercial and investment banking products is what sets Chase apart from other financial institutions.

And, it's why Chase was able to bring off what Euromoney Trade Finance Report called one of the most talked about deals of the year.

Fully integrated global banking. No matter how complex a project it may be, one thing is simple.

Choosing the right bank to support it.



**TALK TRANSACTIONS
TO CHASE IN**

ARGENTINA · AUSTRALIA
AUSTRIA · THE BAHAMAS
BAHRAIN · BELGIUM · BOSTON
BRAZIL · CAMEROON · CANADA
CAYMAN ISLANDS · CHANNEL
ISLANDS · CHICAGO · CHILE
CHINA · COLOMBIA · DEN-
MARK · DOMINICAN REPUBLIC
ECUADOR · EGYPT · FINLAND



CHASE

FRANCE · GERMANY
GREECE · GUADEL-
OUPE · GUAM · HONG
KONG · HOUSTON
INDIA · INDONESIA
ITALY · IVORY COAST
JAPAN · KOREA · LEBA-
NON · LIBERIA · LOS ANGELES
LUXEMBOURG · MALAYSIA
MARTINIQUE · MEXICO
MIAMI · MONACO · NETHER-
LANDS · NEW YORK · NIGERIA
NORWAY · PAKISTAN · PANAMA
PARAGUAY · PERU · PHILA-
DELPHIA · THE PHILIPPINES
PORTUGAL · PUERTO RICO
REPUBLIC OF IRELAND · ST
MAARTEN · SAN FRANCISCO
SAUDI ARABIA · SINGAPORE
SPAIN · SWEDEN · SWITZER-
LAND · TAIWAN · THAILAND
TURKEY · U.K. · URUGUAY
US AND BRITISH VIRGIN
ISLANDS · USSR · VENEZUELA

UK NEWS

Schools face more disruption over pay

SCHOOLS in England and Wales face renewed disruption over teachers' pay after the National Association of Schoolmasters/Union of Women Teachers yesterday instructed its 125,000 members to hold a half-day strike in the week beginning Monday November 3, David Brindle writes.

The union has called the action to try to win fundamental improvements in the outline agreement, reached in negotiations in Coventry in July, on a new employment contract and salary structure for all teachers.

The half-day strikes are due to take place in the school week before further negotiations take place.

Mr John Peacock, the local authority employers' chief negotiator, said yesterday: "I think it is quite the most selfish and spiteful act that I have seen any trade union perpetrate in my experience in local government."

The union, which refused to sign the Coventry agreement, wants in particular an increase to £16,000 in the £14,500 figure specified in the agreement for the maximum achievable basic salary for a classroom teacher, excluding head teachers and their deputies.

□ A GERMAN national and an American have been appointed to the City Capital Markets Committee, in a move which reflects the growing internationalisation of the City of London. They are Mr Ernst Brutsche, who is joint chief executive of the investment banking sector of the Midland Bank Group, and Mr Charles McVeigh, the managing director of Salomon Brothers International in London.

The City Capital Markets Committee is a think tank, composed of leading City of London practitioners, which gives private advice to City and Government bodies and which publishes occasional papers on capital market topics. It receives secretarial and other support from the Bank of England, but its views are independent.

□ AN OUT-OF-COURT settlement of a libel action taken by two Conservative MPs against the BBC is expected to be announced today. However suggestions that senior management were opposed to the decision of the board of governors to seek such a settlement are now being discounted. It is understood that the decision to seek a settlement was originally taken by the board of management and then endorsed by the governors. The action followed a programme which purported to show that both MPs were linked to extremist right wingers.

□ SEAMEN from three Sealink UK ferries berthed at Weymouth, Dorset, in south-west England, voted to continue their occupation of the vessels because they are not satisfied with the agreement with the company thrashed out by national negotiators of the National Union of Seafarers. The men are concerned that last week's agreement, which ended the two-week dispute that disrupted Sealink UK's sailings to the Continent and Ireland, does not provide 40 seasonal employees with redundancy pay.

□ KODAK UK, part of Eastman Kodak, the photographic products and electronics group, has announced a £70m investment at its existing factory in Cumbria, north-west England. The Washington plant, which now makes the materials which go into cigarette filters, will also produce polyethylene terephthalate or PET.

□ CHEAP package holidays to Greece were offered by Intasun as part of the holiday price war being fought among the major tour operators. Intasun, part of the International Leisure Group, is offering some 500 one-week holidays to Greece for £26.

□ MORE THAN 16m people - nearly a third of the population of Britain - were living in poverty or on its margins in 1983, a rise of 42 per cent since 1979, according to a report published jointly by the Child Poverty Action Group and the Low Pay Unit.

AE challenges clearance for new Turner bid

BY CHARLES BATCHELOR

THE motor components group which last month defeated a £257m takeover bid from Turner & Newall (T&N), the mining and engineering company, is to appeal against a Takeover Panel ruling that T&N may bid again.

AE and its financial advisers were yesterday engaged in preparing their appeal after being given permission by the full panel to take their case to its appeal committee.

This committee, which is headed by Sir Henry Fisher, a retired judge, and has three other members, is expected to hear arguments later this week.

It is unusual for cases to go to the appeal committee. Decisions by the panel executive which are appealed by one of the parties are usually handled by the "full panel," itself an appeal body.

AE is appealing only against the decision to allow T&N to bid again.

The company, with its merchant bank, Hill Samuel, and its broker Cammow, has accepted the panel decision that purchases of 7.2m AE shares which were covered by in-

demulles from Hill Samuel should have been disclosed.

Hill Samuel may, however, challenge the wording of the Panel's formal announcement - expected later this week - if it disagrees with any points of detail. The bank has been censured by the panel while Caze has been criticized, a less severe rebuke.

T&N just failed to win control of AE last month when it secured the backing of the owners of 49 per cent of its shares. It has argued that the share purchases masterminded by Hill Samuel were enough to tip the balance against it. It still retains a 30 per cent stake in AE and is keen to bid again.

The dispute between AE and T&N has highlighted an issue which has become increasingly contentious in recent bids - the roles by which advisers to bid contenders may buy or sell shares in their clients.

The shares of AE and T&N are suspended from trading at 210p and 171p respectively.

Lex, Page 20

PWS group launches offer for C.E. Heath

BY NIKKI TAFT

PWS Holdings, a medium-sized UK insurance broking group, yesterday launched a £164m all-paper offer for C. E. Heath - a much larger insurance company with interests ranging from broking to underwriting.

Under the offer, PWS is offering four of its own new ordinary shares plus three new convertible preferred shares for every four Heath shares held. With PWS shares at 30p to 31.5p on the news, and the convertible share price estimated at 34p, the bid values each Heath share at 57.2p. Yesterday, Heath rose 7p to 53p. There is no cash alternative.

The offer is being strongly opposed by the Heath directors, who yesterday described it as "unrealistic, opportunistic and inadequate." The board said they will be writing to shareholders in due course, and advised them to take no action in the meantime.

Daimler-Benz profits show major recovery

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

DAIMLER-BENZ'S UK subsidiary saw a major recovery in taxable profit last year. It rose by 156 per cent to £10.43m and, following a one-year gap when no dividend was paid, the West German parent group received a 2.5m dividend for 1985.

There was a 144 per cent increase in net profit to £1.58m in 1984 to £3.9m for 1985. In subsequent years it fell under the twin pressures of the strength of the pound against the D-Mark and severe price competition in the UK commercial vehicle market.

In 1983 MBUK paid a £1.5m dividend, down from £2.2m the previous year.

The 1985 net profit was lifted by extraordinary income, after tax of £242.654 compared with an extraordinary charge, after tax allowance of £365,000 in 1984.

The extraordinary income last year represented the amount left over from sums set aside to meet the cost of making the company from several sites in north London to its new corporate headquarters at Milton Keynes.

MBUK transferred its commercial vehicle dealer stocking plan, previously operated in-house, to the Lloyd's Bowmaker finance house last year and this gave both commercial vehicle unit sales and turnover a one-off boost.

The accounts, just filed, suggest about four pounds of the 32 per cent increase in turnover, to £427.3m, was attributed to the stocking plan change.

MBUK's cash "mountain" was reduced from £17.8m in 1984 to £9.2m last year.

Net profit was still well below the £9.2m for 1981. In subsequent years it fell under the twin pressures of the strength of the pound against the D-Mark and severe price competition in the UK commercial vehicle market.

In 1983 MBUK paid a £1.5m dividend, down from £2.2m the previous year.

The 1985 net profit was lifted by extraordinary income, after tax of £242.654 compared with an extraordinary charge, after tax allowance of £365,000 in 1984.

The extraordinary income last year represented the amount left over from sums set aside to meet the cost of making the company from several sites in north London to its new corporate headquarters at Milton Keynes.

It is building a commercial vehicle preparation and modification centre at Barnsley in the north of England for about £8.1m to be completed early next year.

Mr Hans Tauscher, the MBUK managing director whose earnings rose from £70,225 to £78,765 last year, says that once Barnsley and a new training centre at Milton Keynes, north of London, are completed, no more heavy expenditure on facilities will be required for many years.

MBUK increased the number of employees from 1,038 to 1,070 last year.

Production resumes on Jaguar assembly

By Charles Lambeth

SAALON car production at Jaguar restarted yesterday after 800 shop floor workers voted to return to work to allow union officials to open talks with management over its plans to carry out a time and motion study to draw up work patterns for assembly of the new XJ6.

Both sides have been anxious to resolve the dispute which halted production of the new saloon only a week after its launch. The talks, which are scheduled to conclude by this evening, will have to overcome considerable shopfloor opposition to the time-and-motion study. Twice last week manual workers rejected stewards' recommendations.

Meanwhile, the Austin Rover Group's 26,000 shopfloor workers will be urged to accept a two year pay deal which the company says will be worth about £21 or about 5.1 per cent over two years.

Shop stewards from the state-owned volume car makers' 11 plants yesterday voted overwhelmingly to recommend workers accept the package.

General Motors' North American-built Griffin van range is to form the basis of an Anglo-US electric vehicle programme which is to be in the UK in 1988.

Agreement on the programme, which could lead to production of electric vans in North America in 1988, has been reached in Detroit between the Electric Vehicle Development Corporation (EVDC), the Electric Power Research Institute, GM, the UK government-backed Lucas Chloride EV Systems and several other parties.

City is a failure, says TUC

BY PHILIP BASSETT, LABOUR EDITOR

THE CITY of London had failed the UK economy, the Trade Union Congress (TUC) said yesterday. In its first-ever report on the financial sector, the TUC called for a "major reassessment" of Britain's finances in order to help industrial growth and reduce unemployment.

Launching the report, Mr Norman Willis, TUC general secretary, said that the financial sector's activities were crucial to the success of the British economy: "On that criterion I have to say that the City has been a failure."

Mr Willis said he did not intend just to knock the City. "It is far too serious for that. But we have grave reservations about how we are as a nation to invest ourselves into the future - towards much lower levels of unemployment than we have now."

Much of the TUC's report - the first of what Mr Willis said would be a series of scrutinies - is descriptive, detailing the range of the work of the financial sector, from retail banks and building societies to new financial legislation and next Monday's Stock Exchange Big Bang.

The policy of the report is to argue against what the TUC sees as the City's failure to channel its resources to the benefit of British industry. Mr Willis said: "The City's long-term success and future does not rest solely on its competitiveness over other countries, and in attracting business from overseas. The City's success is tightly bound up with the success of the rest of the economy."

Arguing against the "blinded" view of institutional investment managers that their investment poli-

cies must be based on securing the highest short-run rate of return, the TUC says that the City's funds have been used since the abolition of exchange controls to fuel a massive increase in overseas investment.

"The common characteristic of both overseas investment and mergers is that in general they will result less, not more, industrial capacity in the UK, and fewer net new jobs." It says that the City's investment policies eventually become self-fulfilling as they lock the UK economy into a vicious cycle of decline. Putting funds into UK industry becomes less and less attractive and the investment gap between the UK and its leading competitors grows ever wider.

Mr Willis said: "Until a major re-

view of the financing is made, British manufacturing will continue to go down not with a big bang but with a small whimper." The TUC's report suggests a number of changes to help effect this reassessment. Among them is a new competition policy which would only allow company mergers both overseas and save and create jobs; new controls on the level and direction of overseas investment; a National Investment Bank to provide long-term funds at below market rates to finance long-term high-risk projects and local economic initiatives in line with organisations such as the West Midlands Enterprise Board to provide start-up capital, loans and equity funding for new businesses.

TUC Report on the City. TUC, Congress House, Great Russell Street, London, WC1B 3LS. £10

Korean group to open electronics factory

BY DAVID THOMAS

SAMSUNG ELECTRONICS, part of Samsung, the diversified South Korean industrial group, is to open a factory in the north of England, the first Korean investment in electronics in the UK.

The factory, which will be in Cleveland, will create 150 jobs before the end of next year and could result in almost 500 new jobs after five years. Samsung will be investing about £5m initially and its investment could rise to about £20m-£25m after five years.

The company's decision to invest in the UK reflects an increased interest by the large Korean groups in manufacturing overseas.

At first, the plant will be making microwave ovens. Output of these is due to start before the end of next year. If this is successful, the factor-

Growth in retail sales may be stabilising

BY JANET BUSH

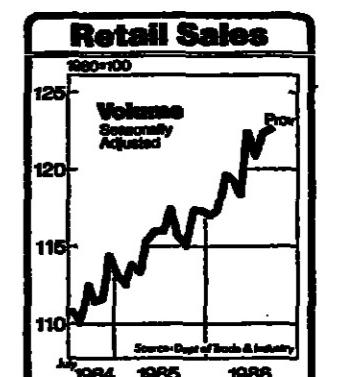
RETAIL SALES continue to ride high on the back of strong real income growth and freely available credit, but there are signs that the surge in sales is now stabilising at the high levels seen this summer.

The Cleveland factory, which is believed to have received substantial Government grants, will initially assemble parts mainly imported from Korea, but it is thought the company will try to increase its use of British components quickly.

Samsung's only other investment in Europe is a joint venture making colour televisions in Portugal.

Last year, the company ran an eight-week advertising campaign on British TV for its televisions, videos, microwaves and stereos which have a relatively small market share in the UK.

The DTI's September figures accord with the up-beat picture painted in the September Financial Times/Confederation of British Industry's survey.



Retail sales in the three months from July to September were 1.5 per cent higher than in the previous three months

ADVERTISMENT

FOCUS ON COMMERCE AND INDUSTRY IN SOUTHERN AFRICA

Rapidly expanding mining house



Mr. Joe Berardo

Joe Berardo, chairman of the Johannesburg Mining and Finance Group of companies, talks to John Spira, Finance Editor of the Johannesburg Sunday Star.

Spira: Although your group has grown rapidly in the short 10 years since it was founded, it is still small in relation to South Africa's mining houses. How have you managed to achieve your growth in the face of such intense competition?

Berardo: You're right, of course, in referring to my group as small in relative terms. Bear in mind, though, that we're bigger than most of the big mining houses were after they'd been in existence for 10 years. Our latest acquisition, Egoli, West Wit, Witsand, Ching, Shurri & Jakkals, and Samson - a massive amalgamation of more than R400 million, which isn't bad for a group which started life with a negligible sum of money and which has raised little extra along the way.

I do not and never have regarded the mining houses as competitors. They always been too large to look at the relatively small-scale ventures in which we have invested. On occasion, we've actually benefited from co-operation with certain of the mining houses. For example, what got Johannesburg Mining on its feet was an agreement with Salies (an Anglo American mine), whereby Salies agreed to treat waste material from some of our dumps.

Spira: South Africa is a mineral-rich country. We spent from a handful of smaller mining houses over the last 10 years, our giant houses seem to have strengthened on virtually all the mining activities in the country. What is preventing the emergence of more small-scale exploitation of the country's mineral wealth?

Berardo: One of the major factors militating against this is a woeful lack of suitable channels for

UK NEWS

Welcome for the prize that speaks volumes

Smallest companies 'create new jobs'

By Janet Bush

THEY ARE IS AN URGENT NEED TO DISCOVER HOW TO IDENTIFY SMALL COMPANIES WITH GROWTH POTENTIAL AND HOW TO ENCOURAGE AND HELP THEM, ACCORDING TO A STUDY ON JOB GENERATION BETWEEN 1982 AND 1984.

The study, published in the Department of Trade and Industry's magazine British Business, uses the database of the credit rating and marketing company Dun & Bradstreet.

It showed the smallest British companies, with between one and 19 employees, were the only net creators of jobs during the period, generating at least three jobs at the end of the year for every 100 held at the start.

At best, larger British companies only held their own and companies employing more than 1,000 were net losers of jobs. For every 100 held at the beginning of a year, six had been shed by the end.

The authors said they believed that for cultural or economic reasons Britain's entrepreneurs lacked the motivation or skill to expand their businesses further once they had become established.

They noted that their analysis tended to interpret results for large companies favourably and penalise smaller companies, underscoring the conclusion that job creation was heavily biased towards the latter category.

There is still cause for concern that small companies seem to cease creating jobs at around only 20 employees. The equivalent figure in the US is nearer to 100.

The authors commented: "Perhaps most noteworthy is the contribution of tiny firms (with one or two employees) in balancing the job losses from larger firms and keeping the private sector employment on the increase, as well as their importance to the rise in the rate of formation of firms..."

Full report, £5 including postage, from Professor Colin Gallagher, Department of Industrial Management, Newcastle University, Newcastle upon Tyne, NE1 7RU.

MONTHS OF BACKBITING, BROWBEATING AND PLAIN BITCHING WILL COME TO AN END TOMORROW WHEN THE 1986 BOOKER PRIZE FOR FICTION IS AWARDED.

This year the book trade needs the sales stimulus of the Booker more than ever before. Having hauled itself out of the bookselling decline of the late 1970s, the book trade staged something of a resurgence in the early 1980s, only to suffer from sluggish sales this year.

For the larger book publishers the problems of a soggy domestic market have been compounded by the effect of adverse currency translations against sterling in their main overseas markets: the US and Australia.

In recent months a succession of publicly-quoted book publishers - Associated Books, Octopus and William Collins - have produced lackluster sets of results.

No-one really knows what caused the decline. One theory is that book sellers, having over-ordered last Christmas, were left with too many unsold books early in the year and have destocked since. Another is that the installation of new technology in book shops has made stock control more efficient and book retailers have, temporarily, been more prudent in their reordering.

"Whatever the reason the book market has been grim this year," said Ms Carmen Callil, managing director of Chatto & Windus and chairman of Virago. "Returns are higher than ever. Publishers' discounts are increasing. People are just not buying books. We really need the Booker, this time."

For British book publishers the presentation of the Booker is the

highlight of the year.

Initially the Booker's appeal was limited to the book trade. An early winner, Stanley Middleton's *Hol-*

day in 1974, sold just 6,000 hardback copies. But the prize was swiftly clouded by controversy.

"But the Booker has thrived on controversy," said Ms Maggie Van Reenen, director of the Book Marketing Council (BMC). "The row over whether Anthony Burgess or William Golding should have won in 1983 really made it. The television cameras arrived in 1981 and since then the prize has gone from strength to strength."

As the Booker has grown in stature so its power to sell books has increased. As a rule of thumb Mr Tom Maschler would expect the sales of the winning novel to rise 10 or 15 fold. In recent years Jonathan Cape has produced no Booker winners. Salman Rushdie's *Midnight's Children* sold 40,000 hardback copies in 1982 rather than the 4,000 originally expected. Anita Brookner's *Hotel du Lac* sold 60,000 rather than 4,500 in 1984.

The influence of the winning book is such that there are sizable gains from the book trade if an "unsellable" book wins. Last year's winner, *The Bone People* by the Maori writer Keri Hulme, is popularly categorised as "unsellable". Yet its publishers, Hodder & Stoughton, sold 22,000 copies of the novel in the UK alone.

Ladbrokes, the bookmaker, is still accepting bets on the Booker winner. Kingsley Amis' *The Old Devils* is the front-runner with odds of 2-1, followed by Robertson Davies' *What's Bred in the Bone*, at 3-1, Kazuo Ishiguro's *An Artist of the Floating World* at 9-2, Paul Beatty's *Gabriel's Lament* and Margaret Atwood's *The Handmaid's Tale* at 5-1 and, finally, Timothy Mo's *An Insular Possession* at 6-1.

Demand rises for City office space

By Paul Cheeseright

DEMAND FOR office space in the City of London is outstripping supply and shortages are likely to continue into the 1990s. Savills, the estate agents, have concluded in their annual survey of City property.

For the first time since 1981-82, demand is exceeding supply. The level of demand has risen from 1.3m square feet in 1981-82 to 3.8m square feet in 1985-86. But over the last year only 2.6m square feet have been available.

Although the City has appeared to resemble a gigantic building site much of the development taking place has been to replace existing stock.

"Available space is at its lowest level since the mid-1970s," according to the report.

As a consequence prime office rents have been rising - by about 20 per cent in 1985-86, Savills calculate. And the upward trend is likely to be sustained in the view of Dron and Wright, another company of agents which has also produced an office space survey.

THIS BOOK could change your life!

York is actively seeking to encourage industrial and commercial businesses to establish themselves in some of the most beautiful surroundings in the country. Low overheads,

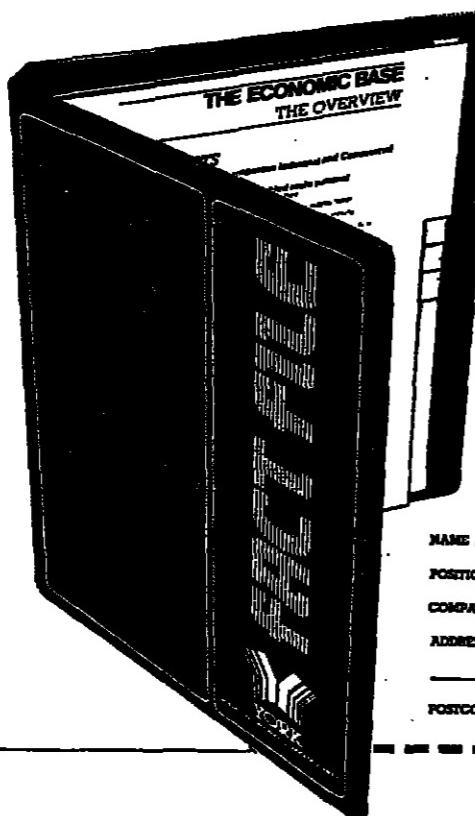
highly motivated workforce and an environment second to none.

To see just how good a move to York could be, clip the coupon for your copy of the York Fact File - which will tell you all the sound reasons why you should consider York. It'll make you think.

York Area Economic Development Unit
York Enterprise Centre
1 Davygate
York YO1 2QE
York (0904) 53655

To: Tony Bennett
York Area Economic Development Unit
York Enterprise Centre
1 Davygate - York - YO1 2QE
Please rush me a copy of the York Fact File

NAME _____
POSITION _____
COMPANY _____
ADDRESS _____
POSTCODE _____ TELPHONE _____



Swiss Bank Corporation reveals a closely guarded professional secret:

Even if it works, ask why.

Many of our customers have something in common besides their choice of international bank. They've learned how to learn from their successes, the way everybody else learns from mistakes. The reasons why something goes right are just as important as the reasons why something goes wrong, and may be even more rewarding (and elusive). When nothing succeeds like success, it's because nothing works like work. Incidentally, when our customers keep coming back to us, we do know why. And so do they. We're one of their professional secrets.



Swiss Bank Corporation
Schweizerischer Bankverein
Société de Banque Suisse

The key Swiss bank

General Management in CH-4002 Basel, Aeschenviertel 6, and in CH-8022 Zurich, Paradeplatz 6. Over 200 offices throughout Switzerland. Worldwide network (branches, subsidiaries and representatives): Europe: Edinburgh, Frankfurt, London, Luxembourg, Madrid, Manchester, Monte Carlo, Paris. North America: Atlanta, Calgary, Chicago, Houston, Los Angeles, Montreal, New York, San Francisco, Toronto, Vancouver. Latin America: Bogota, Buenos Aires, Caracas, Lima, Mexico, Panama, Rio de Janeiro, São Paulo, Caracas. Middle East: Bahrain, Cairo, Tehran. Africa: Johannesburg. Asia: Hong Kong, Osaka, Singapore, Tokyo. Australia: Melbourne, Sydney.

Lintex Zürich SBV 1986

IRAN AIR

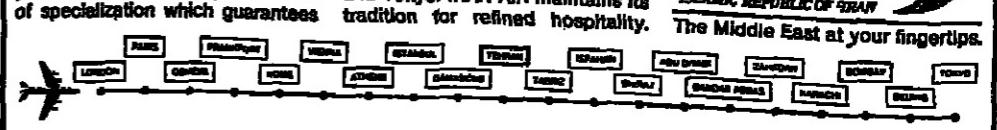
the shortest, most specialized and most convenient route for visiting the Middle East

Every week dozens of passenger and air freight flights leave for the Middle East from the main European airports. For IRAN AIR this is the home route. Your business can not afford to be held up by problems of time or space. Just because of this IRAN AIR has developed over the years while working for you the kind of specialization which guarantees

the most efficient network of connections and destinations. Wherever you are going in the Middle East IRAN AIR sees that you get there in the shortest possible time, because time is precious. And if you are going to the Far East, IRAN AIR will take you to Bombay, Beijing and Tokyo. IRAN AIR maintains its tradition for refined hospitality.

IRAN AIR, with its habitual courtesy, could become an indispensable part of your business success.

IRAN AIR
The Airlines of the
ISLAMIC REPUBLIC OF IRAN
The Middle East at your fingertips.



**"System 12 has
fulfilled all
specifications and
features requested."**

-DEUTSCHE BUNDESPOST

**"System 12,
a very advanced
system, will give
us the opportunity...
to introduce
the telecom services
of the future."**

-BELGIUM'S REGIE DES
TELEGRAPHES ET DES TELEPHONES

If you want to get an objective appraisal of ITT's System 12™ digital phone exchanges, it's a good idea to turn to the experts.

For example, listen to the Belgian and West German PTT's, who've had first-hand experience with System 12.

In Belgium, it's three years since the first System 12 went into operation. And today, there are 35 local and toll exchanges in everyday service.

Belgium's response? "The RTT wants to meet the challenges ahead and is confident that System 12 can contribute

substantially to achieve this goal."

The Deutsche Bundespost concurs: "Since 1985, all exchange versions of System 12—local, toll, international toll and Service 130—are being delivered with a continuous increase in volume. The exchanges are working fully satisfactorily."

To date, over 190 System 12 exchanges have been put into service in thirteen countries worldwide.

And every working day, we hand over still another exchange.

Which is an international success by anybody's standards.

ITT

ITT Europe, Avenue Louise 480, B-1050 Brussels, Belgium

FT COMMERCIAL LAW REPORTS

Liability for concurrent cause of loss

WHICH BRITISH BANK
IS A PRINCIPAL
PROVIDER
OF A
DIRECT LINK TO
SWISS INVESTMENT
MANAGEMENT SERVICES?

JJ LLOYD INSTRUMENTS LTD
v NORTHERN STAR INSUR-
ANCE CO LTD
Court of Appeal (Lord Justice
Lawton, Lord Justice Slade and
Lord Justice Croom-Johnson);
October 15 1986.

WHERE THERE are two concurrent and equal or nearly equal causes of loss only one of which is an insured peril, the insurers will be liable to indemnify the insured against that one unless the other is expressly excepted under the terms of the policy.

The Court of Appeal so held when dismissing appeal by the insurer, Northern Star Insurance Co Ltd, from Mr Justice Mustill's decision (1985), *Lloyd's Rep 264*) that

THE ARTS

Leeds City Art Gallery/William Packer

British Surrealism put in context

Several important and substantial general studies of Surrealism have been made in recent years, of which the most notable in England was the Arts Council's *Dada & Surrealism* Reviewed at the Hayward Gallery in 1978. In all of them the contribution made by British artists to that larger picture was covered in some way or at least referred to, for Surrealism has been one of the driving forces of the modern movement, with more than energy enough to cross the Channel. But now, with *Surrealism in Britain* at The Whitechapel which the Leeds City Art Gallery has put on (until December 7) to mark the jubilee of the International Surrealist Exhibition that Roland Penrose brought to London in 1936 the subject and substance of that British contribution is addressed specifically and given its full due at last in a public gallery.

The results are fascinating and perhaps surprising. We British have the reputation of being a non-visual people in our culture and interests, and are inclined to render quite invisible for long periods the work of certain artists, groups or even movements as a whole. The Pre-Raphaelites, the Cambridge Townswomen, the Bloomsberries and so many more, all suffered their turn in just this way, and if it is at all odd that British Surrealism since the 1930s should have suffered too, the oddity lies only in that Surrealism itself is the most literary of modernisms, and we pride ourselves, if not on our visual, at least on our literary sensibility.

The Leeds exhibition is therefore of real significance and lasting critical importance, for

it makes British Surrealism visible once more, firmly established in its contemporary international context. To say this is not to forget or discount the brave and necessary pioneering work of rehabilitation that a number of private galleries undertook within the past 20 years, especially that of the excellent and still much missed Hamet Gallery in the early 1970s, and of the Mayor Gallery, so closely engaged with more than energy enough to cross the Channel. But now, with *Surrealism in Britain* at The Whitechapel which the Leeds City Art Gallery has put on (until December 7) to mark the jubilee of the International Surrealist Exhibition that Roland Penrose brought to London in 1936 the subject and substance of that British contribution is addressed specifically and given its full due at last in a public gallery.

The results are fascinating and perhaps surprising. We British have the reputation of being a non-visual people in our culture and interests, and are inclined to render quite invisible for long periods the work of certain artists, groups or even movements as a whole. The Pre-Raphaelites, the Cambridge Townswomen, the Bloomsberries and so many more, all suffered their turn in just this way, and if it is at all odd that British Surrealism since the 1930s should have suffered too, the oddity lies only in that Surrealism itself is the most literary of modernisms, and we pride ourselves, if not on our visual, at least on our literary sensibility.

The Leeds exhibition is therefore of real significance and lasting critical importance, for

it makes British Surrealism visible once more, firmly established in its contemporary international context. To say this is not to forget or discount the brave and necessary pioneering work of rehabilitation that a number of private galleries undertook within the past 20 years, especially that of the excellent and still much missed Hamet Gallery in the early 1970s, and of the Mayor Gallery, so closely engaged with more than energy enough to cross the Channel. But now, with *Surrealism in Britain* at The Whitechapel which the Leeds City Art Gallery has put on (until December 7) to mark the jubilee of the International Surrealist Exhibition that Roland Penrose brought to London in 1936 the subject and substance of that British contribution is addressed specifically and given its full due at last in a public gallery.

The results are fascinating and perhaps surprising. We British have the reputation of being a non-visual people in our culture and interests, and are inclined to render quite invisible for long periods the work of certain artists, groups or even movements as a whole. The Pre-Raphaelites, the Cambridge Townswomen, the Bloomsberries and so many more, all suffered their turn in just this way, and if it is at all odd that British Surrealism since the 1930s should have suffered too, the oddity lies only in that Surrealism itself is the most literary of modernisms, and we pride ourselves, if not on our visual, at least on our literary sensibility.

The Leeds exhibition is therefore of real significance and lasting critical importance, for

section — and *Premonitions of War*. This last is a small group of somewhat sinister items that includes Giacometti's splayed Woman with her throat cut of 1932, Magritte's *Le Drapeau Noir* of 1937 with its unmanning flying machines, and the small helmet sculpture of Henry Moore of 1940.

All the great masters of surrealism are represented in the exhibition, whether surrealism was for them an absolute commitment or but one stimulus among many: Ernst, Dali, Masson, Tanguy and Magritte for example on the one hand, Picasso, Giacometti and, among the British, Moore and Paul Nash on the other. All are shown by fine and particular portraits, and yet it is perhaps the lesser family figures who quietly steal the show, whose work we so lately dimmed and now begins to look so good. Ceri Richards, Eileen Agar, Marilyn Evans, John Melville and Conroy Maddox, whose closeness to Magritte no longer works so much to his disadvantage, are only a few of those who suddenly seem so much more substantial. And there is the late Sir Roland Penrose, prime mover of the 1936 exhibition and ring master of British Surrealism to whose memory this exhibition is rightly dedicated, and represented by major works from his estate never shown before.

What is Surrealism, the exhibition asks? A Metamorphosis perhaps, the Inner Consciousness or a Premonition of War, perhaps *The Landscape of a Dream* or *A Dream of Women*, or simply the fruit of arbitrary and automatic technique, collage, frottage, free juxtapositions and association. These are but



"Passage de l'Opera" by Conroy Maddox

some of the answers or possibilities it suggests by demonstration. "This summer, the roses are blue; wood is glass. The earth clothed in its greenness, makes as little impression on me as a ghost. To live and to cease to live are imaginary solutions. Life is elsewhere." Thus said Andre Breton in the first Surrealist Manifesto of 1924, quoted here in the catalogue, and as good an answer as any.

and to cease to live are imaginary solutions. Life is elsewhere." Thus said Andre Breton in the first Surrealist Manifesto of 1924, quoted here in the catalogue, and as good an answer as any.

Sarbu/Elizabeth Hall

Dominic Gill

I was greatly impressed by the Romanian violinist Eugene Sarbu (then 28 years old) when he won the Carl Flesch Competition in 1978, and subsequently by a number of concertos and recital appearances. The playing combined unusual technical sparkle with real originality and poetical insight; and among the competition list of Conservatoire classes, his talents were especially bright. Designed for greatness — a colleague's catchphrase which Sarbu's publicity blazoned as a banner for many years — did not seem too wide of the mark.

Destined for the Palm Court circuit, when I heard him again five years later, seemed nearer the truth. The Tartini, Faure, Vieuxtemps and Beethoven on his programme might all have been the same glib composer, concerned only to show off as many notes as possible, as fast and garrulously as possible, without nuance, variety or relief. That was a truly vile recital: but to judge from his appearance last Friday night, Sarbu seems to have calmed down a little meanwhile. The programme and its treatment were more serious, the musical approach straighter, the platform manner less effortfully flamboyant. It did not prove, as it happened, to be a particularly interesting or arresting evening of violin playing, but at least it was not disgraceful.

The achievement is at best of moderate distinction: good rich tone, secure tuning, precise and flexible articulation. In his hands Beethoven's D major sonata (op. 12 no. 1) and Dvorak's charming Little G major sonata (op. 100), now receive solid teaching performances, of the sort you would expect to hear from the best of the graduate class at a respectable international school. But the playing even here is

full of happy-go-lucky roughness: nothing is smooth, nothing quite perfectly turned; the *mezza voce* starts out beautifully, then the bow wanders too far along the string and the tone becomes wispy; the grandly expressive opening gesture, for lack of nothing more than cohesion and concentration, ends up like a *trill*.

By the second half, when he was well warmed up, Sarbu could come to terms, despite or two more firmly with Prokofiev and Schumann: but Schnittke's first sonata in A minor, still unfairly neglected, can do with more eloquent championing than a capable playthrough — adequate and decent enough as far as it went, but with many miles further to explore. Sarbu was accompanied by his sister, Carnica Sarbu: a quick, responsive partner, and one whose solo talents I should soon, deserve to be heard here

Arts News

In McDermid is to play the title role in *Edwurd II* by Christopher Marlowe at the Royal Exchange Theatre, Manchester, from October 23. It will be McDermid's first role at the Royal Exchange since becoming the company's associate artistic director this autumn. Nicholas Hytner directs.

Diana Rigg will head the cast in a new play by N. Richard Nash, *Wildfire*, which opens at the Phoenix Theatre on November 18. Directed by Carl Toms, the play's cast also includes Kevin McNally, David Headley, Mark Wing-Davey, Carmen Rodriguez.

The play will have a pre-

London run in Bath from November 4-8.

Whitney Houston/Wembley Arena

Antony Thorncroft

Whitney Houston is very beautiful. She has a magnificent voice, both confident and far ranging. And she has as much charm as a word processor. As she enters the ring at Wembley (she performs in the round) the heart jumps at the sight of this little smiling figure in the clinging turquoise dress. It immediately becomes clear that this is one of the most exciting moments of my life." Performing at Stalag Wembley, that charming, concrete, coal bunker?

Perhaps there was no hope for her. The daughter of Cissy Houston, the cousin of Dionne Warwick, friend of Aretha Franklin, she was raised to that schmaltzy soul routine under which everyone has a wonderful time because they are such wonderful people. So, as a

drunk totters in, balancing two pints of beer in plastic containers and shouting "I love you, Whitney," the star turns and shimmers and "I love you, too" back. It does not seem very likely.

But if the packaging is plastic, the look is superb. The stage slowly revolves, allowing the thousands to gaze at this pretty young thing pouring out her tales of love, mainly love unfulfilled, or unappreciated. There is little to distinguish the songs which have become the small change of the disco world, but the latter numbers, like "How will I know," are better than the sluggish "Saving all my love for you." The music also pep up when Whitney has another voice to bounce off, in this case that of brother Gary: for the odd business — a sad, but lucrative, fate.

So far Ben Watt and Tracey Thorn, the duo that makes up Everything but the Girl, have managed to hold on to their immediacy even when filling the Albert Hall with cascades of strings to back up their now emotional ballads. Their concert succeeded against the odds, and was quirky, quaint and compelling.

For Ben Watt and Tracey Thorn, the duo that makes up Everything but the Girl, have managed to hold on to their immediacy even when filling the Albert Hall with cascades of strings to back up their now emotional ballads. Their concert succeeded against the odds, and was quirky, quaint and compelling.

This is not necessarily a criticism, with its last production, *Alas Poor Fred*, Una's which reveals the chief of police to be a ganja grower and the leader, an inadequate propped up by a corrupt puppet regime throws up a chance of salvation in the unlikely form of a garrulous rastafarian idealist who is ripe to be framed for assassination. Mean while the forces of revolution are closing around the beleaguered government; the dead minister's wife reveals her true colours, and the incendiary devices are gathering like flies at another Ay's funeral. Can our song of four ride the storm that is gathering over the tiny island of Rove?

The play, written by Trinidadian Shango Baku, has its moments and shows a marked improvement in the second half. But the comedy is uneven, giving a rough ride to director A. J. Simon who does his best to marry slapstick with the wacky satire of political posturing. There are times when the pace falters between the two.

With its latest show *Revo*, it rather less successfully takes on board the black comedy of Joe Orton and the madcap political farce of Dario Fo. *Revo* is a Caribbean island where the paranoiac potentialities shoot first and ask questions later — with disastrous results when the leader mistakenly bags his deputy in a night-time encounter on the verandah of government house. The verandah of government house.

An emergency cabinet meet-

Nigel Rogers/Wigmore Hall

Richard Fairman

Fortunate is the singer who finds himself in the right place at the right time. Nigel Rogers started his career when public interest in historical performing practices was beginning to stir and has flourished as the desire for authenticity has reached its height. His recital on Saturday night marked 25 years in the profession, most of them spent working with early music — almost unthinkable occupation for any singer of the generation before.

This tenor voice must have introduced countless listeners to music they did not know before. From the Italian monodies of Caccini and Monteverdi to the English songs of Lawes and Locke, which made up the first half, Rogers has been tirelessly active in searching out the best of all countries and periods. The inclusion of three first-rate 18th century solo cantatas, which even he has not performed before, showed how much more there always is to go.

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale: An Italian in Algiers conducted by Roberto Alba and directed by Scola Frizzell

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and costumes are by Jean-Pierre Fornelle (277 9236).

Florence: Teatro Comunale (Prato): Ballet National de Marseilles in Robert and Petit's Pavlova, Les Chemins

includes Lucia Valentini Terrani, Claudio Desderi, and Enzo Dara. Scenery and

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8054871
Telephone: 01-248 8000

Tuesday October 21 1986

The defence of Europe

COMPLAINTS BY Nato generals, that they were inadequately consulted over the arms control negotiations which almost produced such a spectacular result as the Reykjavik package, are misplaced and unreasonable. European anxieties that some of the potential elements in the Reykjavik package could have worrying implications for Nato strategy and the defence of Europe, are neither misplaced nor inherently unreasonable. They deserve to be fully debated. Nevertheless, in a radical arms control negotiation between the US and the Soviet Union, where both sides are deliberately attempting to bring about change across a broad spectrum of issues, there can be no excuse for a veto on Washington's freedom to negotiate; it may have to face the fact that one of the consequences of a radical arms control package between the superpowers might need to be a reappraisal of Europe's security strategy.

Earlier discussions

Complaints about inadequate consultation are unreasonable, because virtually every element in the proposals put forward or accepted by the US in Reykjavik had, at some stage or other, been communicated to or discussed with America's Nato allies.

The most controversial plan, for the complete elimination of Euro-missiles from Europe, seemed at variance with previous Nato discussions, which had apparently persuaded the US to aim mainly, if not entirely, at a reduction of 100 warheads on either side. Never the less, the fact remains that the zero-zero option corresponded closely with the original proposal which the US had consistently put forward at the first Euro-missile negotiations in Geneva in 1981-82. Europeans may have decided on reflection that they did not find the zero-zero option all that comfortable; but they could not seriously complain that they had not been consulted.

In any case, the Reykjavik summit turned out a different meeting from anything anticipated by US administration officials. President Reagan did not go to Iceland expecting detailed negotiations across a broad range of arms control issues, let alone negotiations which would appear to make rapid progress towards far-reaching agreement. In the circumstance, the two-day process was too intense, and the

US missile deal almost agreed in Reykjavik will seem disadvantageous to Nato. European governments must recognise, however, that they got themselves into this quandary by declining to muster purely conventional forces on a credible basis; that there is understandable squeamishness over a strategy which, in effect, assumes that NATO would be ready to be the first to use nuclear weapons; and that America's insistence on the most important contribution has, rather than psychological. With the encouragement of Ecu 750m in EEC support, covering up to half their joint project costs, European electronics companies have begun shed some of the isolationist attitudes which have long inhibited them from dealing directly with each other as partners, suppliers or competitors.

"Esprit has played a fundamental role in getting people to meet and understand each other better," says Dr Bruno Lamborghini, director of economic research at Olivetti, the Italian

electronics group. According to Mr Jacques Stern, chairman of Bull, the French computer group: "Collaboration has produced quite a remarkable change. Instead of thinking only in national terms, we now realise there is a European dimension to our problems."

Many companies say the programme has caused them to orient their own research more effectively by exposing them to ideas and enabling them to identify complementary strengths and weaknesses.

It has also encouraged a climate of bilateral co-operation.

In the last few years, Bull, ICL of Britain and Siemens of West Germany have set up a joint centre to work on advanced computer software; Siemens and the Dutch Philips group have combined in a \$1bn microchip technology project; and Bull and Olivetti have linked up to make banking terminals.

A further side benefit has been to rally industry-wide support behind plans for common standards for computers, communications networks and electronics companies are realising their hopes on such standards to create a unified European market and to help them challenge the commercial power of IBM of the US, the world's largest computer supplier.

Exactly what the next step

should be is still far from clear.

Due to a complex institutional wrangle, the EEC Commission has so far made detailed proposals for only one joint programme, Ecu 100m in Ecu 500m for Europe-wide broadband communications networks in the 1990s.

The Commission's

EW contemporary notions have gripped the collective imagination of European politicians and business men more powerfully than faith in industrial collaboration as the cure to Europe's lagging technological competitiveness.

The past few years have seen a spate of government-backed initiatives to stimulate joint research and development (R&D) between European companies. The EEC is sponsoring a bevy of schemes, headed by the Esprit programme in information technology, while the more loosely defined Eureka project launched by France last year has attracted support from 12 European governments.

That Europe could agree on such actions at all has given rise to much self-congratulation in Brussels and other national capitals. But now that the first flush of euphoria is fading, governments and companies are having to face some hard questions about what to do for an encore.

As Mr Geoffrey Pattie, the UK Minister for Information Technology, put it at a recent meeting in Brussels: "Simply using our limited resources to buy another dose of previous medicine will not be the right strategy if the previous medicine has done its job."

Today, a meeting of EEC research ministers in Luxembourg chaired by Mr Pattie will make a first stab at writing a fresh prescription. On the table are outline proposals from the European Commission to spend Ecu 7.7m (£5.5m) on R&D support in the next five years, up from Ecu 3.7m in the past four years.

Though the proposals amount to a mere 5 per cent of the EEC budget and have already been trimmed from Ecu 10.5m, they have revealed clear divisions between the 12. The southern European countries, many of whom value EEC programmes as a way to plug gaps in their national research efforts, broadly support the Commission's position.

But Britain, France and West Germany, the biggest contributors to the EEC budget, are urging financial restraint and stringent selection to ensure that the projects supported genuinely break new ground.

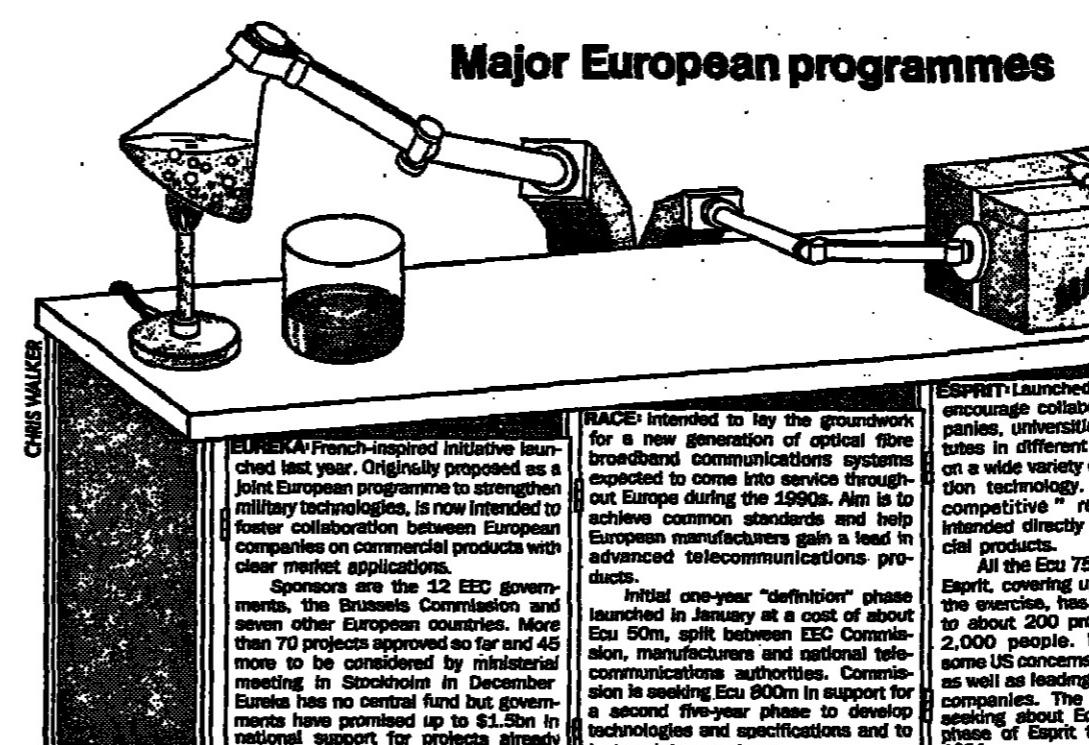
Esprit and most other EEC measures as far as have been aimed at stimulating collaborative research, a grey area which sits short of product develop-

The first flush of euphoria is fading

ment. None of the more than 200 Esprit projects has yet yielded any dramatic innovative breakthroughs, though practical progress is claimed in some areas such as developing computer tools for writing computer software.

Europe's most important contribution has, rather than psychological. With the encouragement of Ecu 750m in EEC support, covering up to half their joint project costs, European electronics companies have begun shed some of the isolationist attitudes which have long inhibited them from dealing directly with each other as partners, suppliers or competitors.

"Esprit has played a fundamental role in getting people to meet and understand each other better," says Dr Bruno Lamborghini, director of economic research at Olivetti, the Italian



Major European programmes

EUREKA: French-inspired initiative launched last year. Originally proposed as a joint European programme to strengthen military technologies, is now intended to foster collaboration between European companies on commercial products with clear market applications.

SPRING: Intended to lay the groundwork for a new generation of optical fibre broadband communications systems expected to come into service throughout Europe during the 1990s. Aim is to achieve common standards and help European manufacturers gain a lead in advanced telecommunications products.

SPONSOR: The 12 EEC governments, the Brussels Commission and seven other European countries. More than 70 projects approved so far and 45 more to be considered by ministerial meeting in Stockholm in December. There is no central fund but governments have promised up to £1.5bn in EEC support for projects already agreed.

RACE: Intended to lay the groundwork for a new generation of optical fibre broadband communications systems expected to come into service throughout Europe during the 1990s. Aim is to achieve common standards and help European manufacturers gain a lead in advanced telecommunications products.

INITIAL: One-year "definition" phase launched in January at a cost of about Ecu 50m. It split between EEC research institutions, manufacturers and national telecommunications authorities. Commission is seeking Ecu 250m in support for a second five-year phase to develop technologies and specifications and to test prototype systems.

TECHNOLOGICAL COLLABORATION

Now for the hard part in the struggle to compete

By Guy de Jonquieres, International Business Editor

Deliberate vagueness about the rest of the package, to be debated today, recently led one EEC government official to criticise it as "a mixture of a wish list and a lucky dip."

Northeast, the Commission appears to be responding to insistent demands from industry to extend collaboration further downstream. Among the proposals for Esprit, for which more than Ecu 260m in new funding is sought, are 28 projects, aimed at harnessing

theoretical knowledge to generate saleable products.

In theory, Europe should help to bridge the gap. First conceived by France as a riposte to the US Strategic Defence Initiative, it has metamorphosed into an attempt to engineer link-ups on product development between companies in different European countries. So far, 72 joint projects have been blessed by participating governments, with 45 more in the pipeline.

In practice, however, its role is proving harder to define. The Eureka seal of approval confers no tangible commercial advantages or automatic financial support. The programme has no central fund and financing it is a matter for bilateral negotiation between companies and their national governments.

The mix of projects approved so far is so eclectic as to defy easy categorisation. With times varying from two to 10 years, they range from production of sunflower seeds and

diagnosis of sexually transmitted diseases to work on automated car navigation systems and microelectronics which partly overlaps with existing EEC programmes.

Though some big electronics companies co-operating in Esprit are many openly sceptical. "Esprit is a politicians' invention," says Dr Jens Moritz, Siemens' deputy research director. "It's a grand idea, but it won't have much impact unless it is focused and objectives are specified for more clearly," adds Mr Stern of Bull.

However, some smaller firms are more enthusiastic. They hope Eureka will offer opportunities denied them in Esprit, the direction of which is heavily influenced by Europe's dozen or so largest electronics companies which have cornered three-quarters of the available funds.

Eureka also seems to be better received by industries such as new materials, where development work is already being done in co-operation with customers. Psuedo, the French metals group, says that thanks to Eureka it has begun to look beyond its usual circle of industrial partners in France and has taken the lead in two development projects involving German and Italian companies.

A more cynical explanation of Esprit members' doubts about Eureka is that there is simply less money in it. Companies insist they need support to cover the added costs of intra-European collaboration as much as 25 per cent in Esprit projects—and to match the assistance which many of their

US competitors are getting notably from the Pentagon.

Such arguments seem to suggest, though, that companies have still to be convinced that the commercial rewards of collaboration outweigh the extra effort required. Some experts also question whether European technology companies yet have the management organisation needed to move beyond joint research.

"It has been widely assumed that co-operation will get better results. But it also has to be very skilfully managed," says Dr Gordon Edge, an authority on industrial innovation. He argues that Europe's competitors in the US and Japan have often gained the lead not because they were superior research but because they were better equipped to apply technology to products.

Philips' experience seems to bear this out. Mr Willem Leudecker, who handles its EEC technical liaison, says the company's line managers have so far showed little interest in Esprit research, and ways will have to be found to involve them more fully if the programme moves closer to joint product development.

Implicitly, industrial collaboration is closely linked in the minds of many policymakers with the prospect of removing internal EEC trade barriers. Behind both Eureka and Eureka lies a vision of European companies joining forces, first to attack a single European market and then setting out to do battle around the globe.

However, apart from the fact that some major hurdles, notably nationalistic procurement policies in telecommunications and defence equipment, are proving remarkably obstinate, some electronics companies are starting to ask whether even a genuinely open European market will offer vigorous enough demand to be an effective international springboard.

ICL points out that there are few European industrial customers big enough to provide the concentrated market "pull" which companies such as General Motors enjoy in the US. ICL wants European governments to fulfil that role by using their procurement procedures more directly to stimulate the market for technologically advanced products.

Pressures to stimulate market demand

Bull would go still further. Citing the discriminatory provisions of the buy American rules in the US, it is calling for national procurement policies in the EEC which would favour European bidders in the award of public contracts.

Such demands are controversial, however. Some policymakers in Brussels and other national capitals are already suggesting that, rather than seeking more special treatment, Europe's technology industries should be doing more to take commercial advantage of the support they have already received.

"The crunch is coming," says one scientific expert who has been closely involved in European collaborative ventures schemes. "It's up to the companies now to show what they can do by themselves."

Mozambique after Machel

IT IS a sad irony that President Samora Machel of Mozambique should have met his death in a plane crash near Nkomati, the South African border town where in March 1984 he signed a non-aggression pact with Pretoria. At the time President Machel saw it as the start of a new era in relations with the Republic which might prove an example for Southern Africa as a whole. But as events turned out, Mozambique at the time of his death is wracked by a civil war and a devastated economy, and the relationship with South Africa is strained to a dangerous degree.

The agreement that neither government would provide arms to opponents and would seek to offer both parties the chance to come to terms with their problems. In the case of Pretoria, it was hoped that Mr P. W. Botha would follow up the pact by constitutional talks with the African National Congress (ANC) and other black leaders. For his part President Machel believed an end to South Africa's holding of Mozambique's National Resistance Movement (MNR) would help bring an end to the civil war which had contributed to the destruction of the country's economy. This had never recovered from the upheaval of independence in 1975, when Portuguese settlers left en masse, the spillover of the Rhodesian war and the impact on agriculture of alternate years of drought and flood.

Local loyalties

Within a few months, however, it became apparent that South Africa was not keeping its side of the bargain. In recent weeks, the situation has deteriorated alarmingly. South Africa and Mozambique have been accusing each other of hostile acts, with Pretoria alleging that President Machel had once again been supporting ANC guerrillas while Maputo repeated earlier charges that South Africa was assisting the MNR, and claiming that Pretoria had marshalled its own forces on the border prior to an invasion. This tense situation is in danger of being exacerbated by President Machel's death, even if it is shown that the plane crash in which he died was indeed an accident.

Standard to lose its Barber

As if there was not enough going on at Standard Chartered in the wake of the killing of Mr Machel, Lord Barber, the chairman and former Tory chancellor, announced yesterday that he is to step down next May. But he assures me that it is not a sign that further dramatic developments are on the way.

"I had reached retirement age last year. But I felt I should stay on until the outcome of the bid from Lloyds bank was known," he said.

Standard beat off Lloyds' £1.3bn offer, of course. But only by inviting in three substantial Oriental shareholders who now sit on the board: Sir Y. K. Pao, Mr Khoo Teck Puat and Robert Holmes a Court, Lord

Machel was keen yesterday to dismiss any suggestion that the new directors have schemes of their own for the bank.

"All this talk of splitting up the bank is nonsense. I know them all before they came on the board and my relationship with them is excellent. We are getting on with the job of running the bank."

Lord Barber will be succeeded by his deputy, Peter Graham, though he will retain seats on some of Standard Chartered's overseas subsidiary which have kept him busy during three months of the year.

His departure means that three UK clearers will get new chairman next spring. The other two are Barclays and Midland.

Butler's pots

When Sir Michael Butler, former British ambassador to the EEC, left Brussels last year, he had to transport much of his magnificent collection of Chinese porcelain by car. Freight insurance would otherwise have made a very big hole in his pocket.

Now many of the finest pieces in his collection have been taken back to Brussels.

They are on public display at the Royal Museum of Art and History.

The story of Butler's passion for Chinese porcelain goes back 30 years to when, faced with a large number of empty shelves in a new London house, he invested in a job lot at Sotheby's.

A green wine jug shaped like a bamboo stem included in the lot sparked his interest in the so-called Transitional Period (1620-83) which had previously been neglected by collectors.

As astute and shrewd in his buying as he was in his negotiations with the EEC, Butler built up an unrivalled collection and expertise in the period. He has been much missed in the Belgian and Dutch salesrooms he used to frequent.

He has, however, left behind another, increasingly knowledgeable enthusiast — his official dealer, who on occasion was required to go

Men and Matters

succeed in his behalf at auctions.

TV hazards

Who do you think has been named as the Spanish counterpart to Duke Hussey, the new chairman of the British Broadcasting Corporation? Could it be a film director, former producer, or writer?

The answer is that Pilar Miro, aged 45, who has been appointed to take over as head of Spain's state RTVE broadcasting authority, is all three.

She is also a dedicated friend of Felipe Gonzalez.

The post of RTVE director-general, the top job in Spanish broadcasting, has become the career equivalent in recent years of tying oneself to a railway line.

The outgoing chief, Jose Maria Calvino, a lawyer named by the socialists when they came to power four years ago, became the most frequently pilloried man in all Spain.

He ran into a series of public rows. There was the incident of a female punk group which broke obscenity records on Spanish TV. There was an extraordinary news bulletin-cum-demolition job aimed at the right wing opposition leader Manuel Fraga. There were allegations of one-sided coverage in favour of the Government.

The fact that Calvino managed to restore the state broadcasting system's finances — a \$20m profit is expected this year — failed to compensate for his image of partiality.

With Miro in charge, the Spanish Government hopes to make broadcasting less of a political battlefield.

A former head of Spain's institute of cinematography, she is said to have had reservations about taking the job.

Labour views

Coming soon — after the TUC's slim, pocket-sized report on the City yesterday, a blockbuster opus on the subject.

Bryan Gould, Labour spokesman on trade and MP for Dagenham, has spent much of the parliamentary recess bent over a word processor spelling out socialist thinking about the City's future.

Publishers Jonathan Cape commissioned the 70,000-word book a year ago, and hope to get it from Bryan Gould by next month. Its working title is Labour and the City. It will explore problems of City regulation raised by Big Bang and the Financial Services Bill and examine the City's economic role.

Bankers and stockbrokers bothered by the prospect of a Labour Government can expect a thoughtful work. Gould, a New Zealand-born Rhodes scholar, was a diplomat and an Oxford don before turning to politics and economics and becoming Labour's financial community chief.

Letters to the Editor

Catastrophic probability

From Dr A. Irwin

Sir.—The solution to the probabilistic command raised by Sir Christopher Cokerell in his article (October 6) and the subsequent exchange of correspondence with Mr Robin Hunt (October 13 and October 16) must surely be as follows. If the chance of a nuclear catastrophe per reactor year is one in 30,000 and there are 30,000 reactors in existence, then the overall probability of such a catastrophe per year must be 1/30 (or 33 per cent). Biannual theory thus backs up Sir Christopher's appeal for caution in the development of nuclear power.

Such statements, however, concern as much as they reveal, a lesser because of the likelihood of "gamma mode" failures where a single design fault is repeated throughout the

reactor population. Even more basically, one must question the practical value of probabilistic logic when (as here) it is stretched to the very limits. Likelihoods of occurrence such as 1 in 30,000 reactor years verge on the ludicrous when they are based on a relatively minuscule amount of operating experience. The logic becomes further open to question when only one catastrophe of the sort under discussion would likely bring the whole programme to an abrupt halt.

The useful limits to probability theory may thus be more significant in this case than the detailed calculations of the technical experts.

(Dr) Alan Irwin
Department of Science and
Technology Policy,
The University,
Manchester.

Speaking the same language?

From Mr G. Sokolov,
Novosti Press Agency

Sir.—I was surprised by the funeral tone of Robert Maunder's comment on the results of the Reykjavik meeting (October 13). According to him, the results of the meeting "could hardly have been worse" and a lot of time will pass before the two countries restore the atmosphere of trust.

True, no agreements were signed at the meeting. But no one said they would be. The understanding reached at the talks, however, on a 50 per cent reduction of all three elements of the strategic nuclear triad and on the elimination of medium-range missiles in Europe is no trifle.

The meeting in Reykjavik was a major step forward because agreement was reached on problems which only recently seemed almost insoluble. The sides managed to find more points of contact and that was to a great extent the result of the compromise proposal of the Soviet side.

Chittagong hill tracts

From the High Commissioner, People's Republic of Bangladesh

Sir.—I feel it necessary to clarify your report (October 6) of Amnesty International's publication on Bangladesh alleging that "Government forces in Bangladesh have killed or tortured hundreds of unarmed tribal villagers" in the Chittagong hill tracts.

The basic objective of the Government in Bangladesh with regard to this area has been to improve the quality of life of the people and to assist them in their endeavour to accelerate economic development. In addition to normal activities within the framework of the annual development plan, the Government is implementing a special five year plan for this region with a total outlay of nearly US\$100m. This expenditure is being undertaken despite the critical situation faced by Bangladesh with respect to availability of resources.

This region, which is covered by primary forests, required the assistance of engineering units from the armed forces to bring about the necessary infrastructural development. The forces have been playing a positive role by participating in development activities besides discharging duties as sentinels of peace and security.

While discharging their

functions, members of the forces and other law enforcing agencies have had skirmishes with terrorists belonging to the so-called "Shantiabhim" resulting in some human losses.

These losses included members of the Bangladesh armed forces. It is these attacks which have led the civilian administration to seek the help of the forces.

The administration is, however, completely in control of the situation.

With a view to developing human resources in this area, the Government has taken steps to facilitate the growth of education, setting up of hospitals, family planning and health clinics.

Earlier this year, in response to a Presidential offer of amnesty a large number of members of the so-called "Shantiabhim" have laid down their arms and have since been rehabilitated through the grant of free land and financial assistance.

Allegations of brutality contained in the report are incorrect. Bangladesh believes in the promotion of human rights throughout the country and also in the principle of affected persons being able to take recourse to the judicial process and courts of law.

Mir Shahid Ali
(Lt General Retd),
22, Queen's Gate, SW7.

The burden of dear money

From Mr M. Aldbrook

Sir.—How heartily I agree with your leader (October 15). The downside of bringing our interest rates in line with those of our main competitors such as West Germany must be negligible given that it is only by doing so that British manufacturers will be able to invest in the new machinery and methods needed to produce consumer goods that will affect the import situation and later in turn to the revitalising of British industry so that the vicious circle we appear once again to be trapped in can be halted and sterling will no longer be perceived as a lack-lustre "pound" currency.

Mark Aldbrook
Blinchards,
178 Sloane Street, SW1.

Training for management—workplace attitudes

From the Director, Personnel and Administration, Shell UK

Sir.—Following David Thomas's article (September 12) I wish to amplify my views on this subject, especially since Mr Ernst Verbeek in his letter (September 27) associated my name with views and misconceptions which I do not share.

My concern is with British industry as a whole and I start with the conviction that we need to do all we can to improve its performance. One of many contributory factors to such improvement must be to increase the skills and effectiveness of British managers and supervisors.

The most effective means of achieving this is to encourage more people of good calibre to enter industry, and for employing companies to structure their jobs and plan their career development so that at each stage managers have the opportunity to contribute their skills fully and that they have had the appropriate learning experience by the time they reach senior positions.

Education and training must be seen as means of assisting

Finance for education

From Mr P. Reward

Sir.—I agree wholeheartedly with the sentiments of your two correspondents (October 14) who said that the main problem with education is the system's lack of resources.

From experience I would concur with the fact that the service is being starved of resources by Conservative controlled county councils.

The primary school which my children attend has about £1,800 or £17 per child per year in capitalisation from Surrey County Council, to cover such items as exercise books, text

finance, parents as representatives of their children's interests had over the way the education system operates.

The management and influence on education is so fragmented between government, civil servants, county controllers, governors, inspectors, teaching unions and individual teachers that it would be impossible to design a system so wholly unsuited to running an education service if one tried.

It is virtually impossible to call anybody to account for the manner in which policies are

TODAY WE HAVE A VISIT FROM THE DEPARTMENT OF EDUCATION, THE COUNTY COUNCIL, OUR LOCAL GOVERNMENT OFFICER, THE SCHOOL INSPECTOR AND THE N.U.T. SO LET'S HAVE NO FIGHTING OVER WHO'S TURN IT IS TO USE THE EXERCISE BOOK.



books, equipment, telephone, duplicating, window cleaning, laundry, etc.

The national average capitalisation in 1983-84 was £22 per child which was reached in Reykjavik, must be sacrificed for the literary advantages of SDI.

The one sure result of the Reykjavik meeting is that the two great nuclear powers at last began to speak a common language. Yet, there is a need to speak one more step. And that step will be the most responsible one. To make it one must abandon the illusory policy of ensuring one's own security by harming the security of the other side. Then the next summit meeting in Washington will go down in history.

Gennady Sokolov,
4 Zabolotny Boulevard,
Moscow.

Sponsorship of science

From Christina Astin

Sir.—The reports by the Royal Society and the Sussex University Science Policy Research Unit (October 10) point to the U.S.'s rather decline in science research. A fundamental problem is the lack of incentives for science students at secondary and tertiary levels of education. As a result, this country is not producing enough good quality science graduates.

While the financial sector continues to offer such attractive employment prospects to young graduates, this situation is likely to get worse rather than better. The fall in the real value of student grants means that in order to attract high quality

science graduates into industry, companies will have to offer inducements such as university sponsorships. They are shown in the news signs of today.

The Royal Society Commission booklet "Sponsorships 1987" lists only seven companies (out of 60) offering sponsorships in physics—the most fundamental of the natural sciences. As long as companies carry on believing they can survive without a strong commitment to research and development, science students like me are likely to offer their services elsewhere.

Christina M. Astin,
162 Broadwater Down,
Tunbridge Wells, Kent.

Bias in the ballot

From Mr J. Doolley

Sir.—Mr P. Haywood (October 15) highlights what appears to be a bias in favour of female applicants for TSB shares. From my own sample taken of friends, colleagues and relatives who applied through three centres, a much more disturbing picture emerges—a clear bias in favour of single applicants at the expense of family applicants.

Applications Successful
Family A (five) None
Family B (five) None
Family C (four) One
Family D (three) All
Seven single Six
I am led to the conclusion,

therefore, that the TSB "ballot" (which was supposed to give everyone a 50 per cent chance of success) was designed in such a way that most children were regarded as stags—with the result that it militated most unfairly against very many families who wished to become part of the people's bank and join the share-owning democracy.

Can the TSB explain the anti-family bias? Or was my sample just another one of possibly hundreds of thousands of statistical quirks?

John W. Doolley,
16 Down Road,
Dumbarton, Bute.

Pledge on rate reform

Sir.—Mr Rixford says (October 10) that the proposed community charge represents an inherently preferable alternative to the present rating system.

But compare it with an enormous unearned land values which arise as a result of public works and the private sector's work of the past. Land monopoly takes these values and contributes nothing. Indeed, by creating a shortage of available land by holding it

out of use for a higher price, it is a source of social ill, including unemployment and high house prices. Further, it prevents labour and capital by taking for nothing an increasing share of the wealth produced.

How can it be said that to burden working people by a tax of community charge is fair? Publicly funded unearned land values can be idle monopolists of a natural resource, remain untouched?

Edgar Buck,
115 Cynecoed Road, Cardiff.

Training for management—workplace attitudes

From the Director, Personnel and Administration, Shell UK

Sir.—Following David Thomas's article (September 12) I wish to amplify my views on this subject, especially since Mr Ernst Verbeek in his letter (September 27) associated my name with views and misconceptions which I do not share.

My concern is with British industry as a whole and I start with the conviction that we need to do all we can to improve its performance. One of many contributory factors to such improvement must be to increase the skills and effectiveness of British managers and supervisors.

The most effective means of achieving this is to encourage more people of good calibre to enter industry, and for employing companies to structure their jobs and plan their career development so that at each stage managers have the opportunity to contribute their skills fully and that they have had the appropriate learning experience by the time they reach senior positions.

Education and training must be seen as means of assisting

BELGIUM'S LANGUAGE DISPUTE

Tongues of fire, again

By Tim Dickson in Brussels

PLACE FLAGET, BELGIQUE EN AVANT!**TEN GEVOLGE VAN ASSENT!****Watrin****De Morgen****THIS IS BELGIUM**

Divided loyalties, as seen by the Belgian newspaper De Morgen

ABSURD! Unbelievable! Villain politics! Such were the contemptuous headlines in Belgian newspapers last week as the Government teetered on the brink of collapse over a self-important francophone mayor who refuses to speak Flemish.

The management and influence on education is so fragmented between government, civil servants, county controllers, governors, inspectors, teaching unions and individual teachers that it would be impossible to design a system so wholly unsuited to running an education service if one tried.

"We are making ourselves a laughing-stock in the eyes of the world," complained Vice Premier Jean Gol shortly after the Prime Minister, Mr Wilfried Martens, tendered his resignation.

It is virtually impossible to call anybody to account for the manner in which policies are

squabbles appears ridiculous.

The truth is that Mr Happart is an important symbol for those, notably the Socialist Party and Socialist trade unions in the region, who want more political and economic autonomy for Wallonia. Interestingly, the position today is the reverse of the situation in the 19th and early 20th centuries when the Flemish-speaking population—poor and predominantly rural—was close to 45 per cent of the total.

The rivalry between Flanders and Wallonia dates back long before 1830, when the Belgian state came into being, to the days of the Roman Empire. But if anything, it became more intense in the 1960s and 1970s when the basis was laid for the country's somewhat tortuous system of semi-federal government.

The constitutional reforms of 1980 were the culmination of this process, devolving some powers to regional councils, continuing the existing powers of provinces and communes but leaving responsibility for most economic decision-making notably revenue-raising and distribution) with the central government in Brussels.

It is one of the achievements of the various Centre-Right coalitions which Mr Martens has led since 1979 that the emotionally charged linguistic issue largely has been kept to the back of the stage. The latest row not only threatens the Government's efforts to cut back ballooning public debt to a realistic proportion of GDP, it is an ugly reminder to Belgians that they still lack a common identity and that the current political system still fails to satisfy many of their aspirations.

If Paris was once worth a man (for Henry of Navarre) why are Les Fourons (or Voeren) not worth a simple language lesson? (Even this, incidentally, would hardly be necessary since Mr Happart's Flemish is known to be far from perfect.)

At face value the linguistic

truth is that Mr Happart is an important symbol for those, notably the Socialist Party and Socialist trade unions in the region, who want more political and economic autonomy for Wallonia. Interestingly, the position today is the reverse of the situation in the 19th and early 20th centuries when the Flemish-speaking population—poor and predominantly rural—was close to 45 per cent of the total.

The rivalry between Flanders and Wallonia dates back long before 1830, when the Belgian state came into being, to the days of the Roman Empire. But if anything, it became more intense in the 1960s and 1970s when the basis was laid for the country's somewhat tortuous system of semi-federal government.

The constitutional reforms of 1980 were the culmination of this process, devolving some powers to regional councils, continuing the existing powers of provinces and communes but leaving responsibility for most economic decision-making notably revenue-raising and distribution) with the central government in Brussels.

It is one of the achievements of the various Centre-Right coalitions which Mr Martens has led since 1979 that the emotionally charged linguistic issue largely has been kept to the back of the stage. The latest row not only threatens the Government's efforts to cut back ballooning public debt to a realistic proportion of GDP, it is an ugly reminder to Belgians that they still lack a common identity and that the current political system still fails to satisfy many of their aspirations.

Whereas Flemish nationalism has generally been cultural, Wallonian nationalism has sought greater autonomy primarily as a means of tackling their economic difficulties. The extremists fundamentally distrust a government which in theory has equal opportunities for both groups in whose top posts (the Prime Minister, Foreign Minister, for example are mostly held by

by

them).

The question is whether Wallonia can afford to take the financial consequences of further devolution or whether (as local politicians like the President of the Walloon Council, Melchior Wathelet believe) it is shrewd to wait until the region's economic health picks up.

Further autonomy for the two main regions of Belgium seems ultimately inevitable—the questions are when, and whether, the logical consequence of further reform may not one day be complete separation.

As Belgians roared through the streets of Brussels this summer, proclaiming the astonishing World Cup achievement of their football team, such a question would have been unthinkable. The last few weeks have revived the doubts.

Some trucks are more equal than others.

Reliability + fuel economy + high residual value = low-cost operation = Scania

Reliability + fuel economy + high residual value = low-cost operation = Scania

Reliability + fuel economy + high residual value = low-cost operation = Scania

Reliability + fuel economy + high residual value = low-cost operation = Scania

Reliability + fuel economy + high residual value = low-cost operation = Scania

Reliability + fuel economy + high residual value = low-cost operation = Scania

Reliability + fuel economy + high residual value = low-cost operation = Scania

Reliability + fuel economy + high residual value = low-cost operation = Scania

Reliability + fuel economy + high residual value = low-cost operation = Scania

</div



FINANCIAL TIMES

Tuesday October 21 1986

INTERIOR MINISTERS PLAN JOINT ACTION AGAINST TERRORISM AND DRUGS

EEC to tighten immigration rules

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN LONDON

INTERIOR ministers from the 12 European Community countries agreed yesterday on a series of joint steps to strengthen immigration controls aimed at combatting terrorism and illicit drug trafficking.

After a one-day meeting in London, Mr Douglas Hurd, the Home Secretary, said the immigration measures had been designed to protect the Community at its external frontiers, while at the same time facilitating travel within the Community for the citizens of the member states.

The ministers agreed to set up a high level working group to study urgently ways of strengthening checks at external Community frontiers and the contribution which internal checks could make.

The working group, which is expected to present its first progress report to ministers at their next meeting in London in December, will consider the following measures in addition to stronger external frontier and internal checks:

- The co-ordination and possible harmonisation of visa policies;
- The role and effectiveness of frontier controls at internal Community frontiers in the fight against terrorism, drugs, crime and illegal immigration;
- Close co-operation between member states to avoid the abuse of passports;
- Measures to achieve a common

policy to eliminate the abuse of the right of asylum;

- Examination of ways in which the convenience of Community travellers can be improved without adding to the terrorist threat or the risks of illegal immigration, drug trafficking and other crimes.
- The ministers also agreed that the Community and its member states had a major role to play in stepping up the fight against drug abuse and adopted a plan covering the following measures:
- Steps to ensure that legislation takes account of the need to maintain effective control over illicit drug trafficking, particularly at the Community's external frontiers;
- Mutual enforcement of confiscation orders relating to drug traffickers' assets;
- Enhanced co-operation between law enforcement agencies through an exchange of drug liaison officers between member states and the posting of such officers to other countries.

Paris to alter rules for money markets

By Paul Bettis in Paris

BANQUE de France is to launch a more flexible system of daily intervention in the domestic money markets as part of the wide-ranging reform of French monetary policy.

The reform is to be launched in December. It is designed to change the French system of monetary policy based on the control of credit through credit ceilings or the so-called "encadrement du crédit" - by a more market oriented system based on interest rate intervention and a wider use of reserve requirements on commercial bank lending.

The changes reflect the gradual deregulation of French financial markets during the past two years and the decision of the French authorities to do away with all quantitative controls on credit from the beginning of next year replacing it with a market oriented system based on interest rates.

The new system in many ways is similar to the US Federal Reserve practice of conducting monetary policy by intervening on the Federal Funds market to drain or inject liquidities in the money markets.

As a preliminary move to the ending of quantitative credit controls, Banque de France has decided to set up a system of daily money market intervention from the beginning of next month. The main change in the system is the abolition of the current system of fixing a daily reference rate in the morning in the interbank or main French short-term money market.

Mr Philippe Lagayette, deputy governor of the Banque de France, explained yesterday that the daily morning fixing by the various participants in the interbank market will be replaced as from the beginning of December by an average daily market rate calculated by the Banque de France at the end of the day and published the next morning at around 11 am.

This, he argued, would give the interbank market, whose daily transactions currently total between FFr 150bn-FFr 200bn (US\$30bn-\$31bn) a more market orientated approach comparable to a Fed Funds market in the US or the foreign exchange markets.

This market is likely to fluctuate more than in the past with rates changing in a range of about 1 per cent without necessarily any intervention by the central bank. At the same time the central bank will have greater flexibility to intervene in the daily market to signal a policy change or confirm its monetary stance by draining or injecting liquidity.

The actual mechanisms and timetable of the central bank's system of intervention is also being amended. The bank will now announce on a given day at 9 am the amount of first class government or private paper it is prepared to buy. The main market operators will make their offers by 11 am at the latest. These offers will then be processed from 11.30 am onwards.

Chirac wages policy sparks call for warning strike

By David Housego in Paris

FRENCH trades unions have called out more than 1m public employees on strike today as a warning gesture to the government of Mr Chirac over issues of pay and employment.

The strike is expected to be widely followed, causing disruption to schools, rail, bus and Metro traffic, air services, electricity and gas supplies, postal deliveries and radio and television programmes.

It is the first major strike since Mr Chirac took over as Prime Minister in April and is unusual in that all the major unions have decided to take part. But reflecting the continuing disunity within the French union movement, the different unions from the Communist-led CGT, the pro-Socialist CFDT and PESU, the PESU union have all decided to organise separate marches.

The immediate issue behind the

strike is the Government's intention to freeze public employees' salaries next year. At the same time the Government is cutting 19,000 posts in the civil service - thus reducing the number of jobs available.

Mr André Bergeron, the head of the centrist Force Ouvrière union, claimed yesterday that the real purchasing power of public employees' pay had been cut by 6-7 per cent since 1983.

Behind these immediate issues are the fears of public employees - and above all railwaymen and teachers - that the reforming zeal of the new Government could lead it to call into question some of the much treasured privileges that the

public sector has acquired over the year.

None the less an opinion poll published yesterday indicated that 54 per cent of public employees polled were against the strike and only 39 per cent approved of it.

The poll seems to confirm the belief of political observers that the strike does not mark the end of France's long period of labour calm. Figures issued last week confirmed that the number of strikes in 1985 was at a record low, in part depressed by the continuing high level of unemployment.

But it does suggest that, if inflation should pick up later this year or early next and there were continued heavy job losses in industry, the Government could find itself with more labour trouble on its hands.

EEC ministers put off decision on steel production quotas

By Quentin Peel in Luxembourg

EEC industry ministers yesterday avoided any decision on liberalising the current steel manufacturing cartel in the Community, to allow the industry time to make its own proposals for voluntary restructuring.

An assessment of the plans of the major steel makers to agree on voluntary capacity cuts, put forward in outline last week in Luxembourg, will now be made by the Commission in a month's time, before the member states try again to settle their differences on the necessary

There were wide gaps between the 12 member states yesterday on the proposals put forward by the Commission to abandon the system of fixed prices and production quo-

tas for four more products - galvanised sheet, wire rod, merchant bars and light sections. This would reduce from 65 to 45 per cent the proportion of total production subject to control.

Both West Germany and France argued strongly that no decision should be taken until the ideas floated by Europe, the organisation of the major integrated steel producers, had been taken into account.

The European Commission, backed by the Netherlands and Denmark, showed considerable scepticism about the ability of the industry to agree large enough capacity cuts - given an estimated extra hot-rolled capacity in the industry of more than 20m tonnes.

The ministers did manage to agree in general "on the need to continue the process of liberalisation, taking account of market conditions among other factors," according to Mr Giles Shaw, the British Minister of State for Industry and chairman of the council.

They could have reached a majority decision on liberalising one of the four product quotas - that for galvanised sheet.

The ministers endorsed the Commission's determination to police the payment of state subsidies to steel producers more strictly and in particular to try to prevent payment of subsidies for products outside the scope of the European Coal and Steel Community, such as pipe-making and wire-drawing.

UK rejects plea to join EMS

Continued from Page 1

avoided through EMS funds is shared by Mr Robin Leigh-Pemberton, Governor of the Bank of England, and by a number of other Cabinet members.

Mrs Thatcher, however, is believed to be seriously concerned about the political risks of tying sterling to the D-Mark in the run-up to an election.

The clear message from Downing

Street last night was that the latest pressure on sterling would not change Mrs Thatcher's mind and that the recent uncertainty in financial markets was merely the latest in a series of difficult situations with which the Government would cope.

West German officials have denied recent reports that the Bundesbank has said that it would stop

co-operating with the Bank of England to defend sterling unless the UK changed its mind on EMS membership. They have, however, made the point that sterling would automatically benefit from much greater support from other central banks were it in the EC.

On the foreign exchange markets yesterday both sterling and the dollar had a quiet day.

UK unemployment unlikely to fall

Continued from Page 1

findings by emphasising that it was unlikely for an exercise at winning more EMS funds to go out of its way to paint a trouble-free picture. Even so the report outlines a bleak scenario for economic prospects in many UK regions, suggesting that unachieved levels of high unemployment would remain, unless there

was increased public and private expenditure on a range of environmental and social services.

Mr Brown said the jobless picture contained in the report represented a grim admission that the country was divided into two separate economies. The report's findings, he

said, showed that prospects for reducing unemployment in the regions ranged from "gloomy" to "frighteningly bleak." The 17-page document represented the private confessions of failed monetarists who have been forced to tell Europe what they have been disengaging from the British public.

President Aquino's Government.

World Weather

Machel death leads to power vacuum

Continued from Page 1

Joaquim Alberto Chissano, Foreign Minister, who returned yesterday from a visit to the US, Mr Alberto Chipende, Defence Minister, or even, given the importance of the war against the MNR, Gen Sébastião Malob, the Military Chief of Staff.

First news of the disaster was revealed by Mr Plik Botha, the South African Foreign Minister, who hastened to the scene of the crash accompanied by Gen John Coetzee, the South African Chief of Police. Mr Botha refused to comment on the cause of the crash.

In Washington, US officials expressed shock at Mr Machel's death. One official who asked not to be identified said it would have

enormous implications for southern Africa.

A British Foreign Office spokesman expressed sympathy over the death. He said: "President Machel was not only the architect of his country's independence, he also strove ceaselessly to bring peace to his own country and the whole region of southern Africa."

The aircraft is believed to have strayed off its direct flight line from Lusaka to Maputo. It should not have taken the route over the mountainous border area but flown straight into Maputo airport.

The MNR said it knew nothing of the circumstances of the air crash. Diplomats and rebel sources said the statement showed that the MNR planned to use President Machel's death as an opportunity to go for a military victory rather than to press for peace talks.

Antrak Group
Shipping & Export
Services
Millard House, Cutler St, London E1
Telephone 01-323 2767

THE LEX COLUMN

Tramping over the Heath

For all the efforts to control traffic around the Minories, there was so much reversing going on that one of the slower and less manoeuvrable vehicles was sure to be caught in a crunch. As it turns out, the victim is C. E. Heath. Having grown its earnings this decade solely through an appreciating dollar and investment income on its underwriting business, Heath has had to face the nationalisation of its chief workers' compensation business in Australia and a loss of US working personnel and clients. Heath's share price has fallen in the past 12 months from over £7 to a low of just over £2 at the end of September.

Heath's solution was an agreed takeover of Fielding Insurance, a subsidiary of Hamleys, on terms uncertain but likely to involve the ceding of management control and, possibly, dilution of its remaining earnings. However, the City of London has now been offered a choice of new management from PWS, with an all-paper offer yesterday valuing Heath at 572p a share, or £1.04, after a 15p drop in PWS's share price to 335p.

Without the Heath/Hamleys deal, the City has precious little to go on; although Heath's share price climbed up 70p to 550p yesterday, PWS itself is the result of a reverse takeover in April by the family business of Mr Ronnie Ben-Zur, which posted brokerage income of over £1m in its last full year as the Howard Group against £26m at profit.

The Socialists lost about 19 municipalities, while the conservatives gained approximately 30 municipalities and the KKEs nine.

Taken together with the results of the first round of voting a week earlier, yesterday's figures indicate a sharp drop in the Socialists' popularity in both the towns and the countryside since the general election in June 1985 which Pasok won for the second time running with 48 per cent of the vote.

The Government imposed an economic austerity policy, including a virtual freeze on wages and salaries, immediately after the 1985 election, which alienated both moderate and left supporters. In addition the left wing of the party has been looking askance at the Government's efforts over the past year to improve relations with the US.

ND's victory in Salónica and Piraeus indicated that a large number of KKE and Euro communists voted, who had been instructed to support Socialists against Conservative candidates, had failed to toe the party line, mostly preferring to resolve the dilemma by casting blank or invalid votes. The Communists held the decisive votes between Conservative and Socialist opponents in the three main cities after the first round of the municipal elections.

EEC took the unusual step of directing voters not to back the Socialists in Athens after the Government refused to grant a KKE demand, put forward between the two rounds of voting, for a reform of the Greek electoral system. The communists want the elimination of existing bias against smaller parties in the distribution of parliamentary seats in general elections.

Lionel Barber in Washington writes: US officials yesterday stressed Washington's "strong and unequivocal support" for Mrs Aquino and said it was braced for the departure of Mr Enrile.

Mr Enrile has charged that the NPA was dragging out ceasefire negotiations in order to gain political advantage.

Lionel Barber in Washington writes: US officials yesterday stressed Washington's "strong and unequivocal support" for Mrs Aquino and said it was braced for the departure of Mr Enrile.

Mr Enrile has charged that the NPA was dragging out ceasefire negotiations in order to gain political advantage.

Lionel Barber in Washington writes: US officials yesterday stressed Washington's "strong and unequivocal support" for Mrs Aquino and said it was braced for the departure of Mr Enrile.

Mr Enrile has charged that the NPA was dragging out ceasefire negotiations in order to gain political advantage.

Lionel Barber in Washington writes: US officials yesterday stressed Washington's "strong and unequivocal support" for Mrs Aquino and said it was braced for the departure of Mr Enrile.

Mr Enrile has charged that the NPA was dragging out ceasefire negotiations in order to gain political advantage.

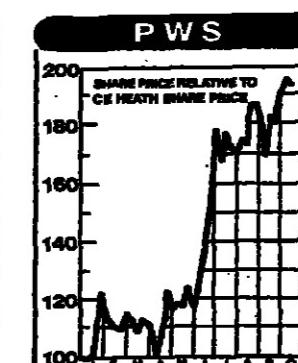
Lionel Barber in Washington writes: US officials yesterday stressed Washington's "strong and unequivocal support" for Mrs Aquino and said it was braced for the departure of Mr Enrile.

Mr Enrile has charged that the NPA was dragging out ceasefire negotiations in order to gain political advantage.

Lionel Barber in Washington writes: US officials yesterday stressed Washington's "strong and unequivocal support" for Mrs Aquino and said it was braced for the departure of Mr Enrile.

Mr Enrile has charged that the NPA was dragging out ceasefire negotiations in order to gain political advantage.

The MNR said it knew nothing of the circumstances of the air crash. Diplomats and rebel sources said the statement showed that the MNR planned to use President Machel's death as an opportunity to go for a military victory rather than to press for peace talks.



either for or against the bid. The 260p cash alternative, well below the 295p share offer at yesterday's closing price, does not look especially generous, and McCordqudale's shares may not fall for if the bid fails.

McCordqudale's management is perhaps not as dynamic as Norton's, but it has been given a fight and investing in bid escapees often proves profitable. McCordqudale's record is no worse than mediocre, and after recent heavy investment should improve. The 10-year pension fund holiday adding £2m to profits a year last for too long to be ignored.

The merits of putting the two companies together do not seem quite so obvious as the two-plus-two equals six or seven that Norton suggests. It looks more like Norton trying to take advantage of McCordqudale to break into overseas manufacturing. The chances of the combined group making waves in the US lottery ticket market are perhaps better assessed by McCordqudale which is not Norton which is not McCordqudale deserves the benefit of the doubt.

Institutional flows

The investment preferences of UK institutions have developed in two apparently opposite directions over the last few years. That old standby, the mortgage loan, has become even more popular: five years ago, building society inflows exceeded the total of loans for house purchase by some £200m, but in the second quarter of 1986 non-bank mortgages outran building society deposits by over £2bn. Home's best, it appears.

Yet there has been an equally remarkable shift into overseas corporate securities. Though the purchase of overseas equities was running at what seemed a very high level in the early 1980s, in the

SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Tuesday October 21 1986



Buoyant ITT sets date for venture with CGE

BY TERRY DODSWORTH IN NEW YORK

ITT CHAIRMAN, Mr Rand Arasoglu, took the opportunity of a sparkling set of third-quarter figures yesterday to give an optimistic assessment of the US group's negotiations on the planned merger of its telecommunications interests with CGE of France.

In a report given additional emphasis by a visit to New York of Mr Pierre Stuard, chairman of CGE, Mr Arasoglu said that the two parties were "on schedule to complete the transaction by year-end." According to ITT, the aim is to sign the joint venture deal some time in December, when the US company will receive about \$1bn in cash and see a further \$1.1bn of debt removed from its balance sheet.

However, neither Mr Arasoglu's comments nor the hefty jump in

third-quarter figures made any impact on the New York Stock Exchange, where, in the midst of a gloomy morning session, ITT's shares lost 5% to \$51.50. Analysts appear to have been expecting a strong performance from the group this quarter because of the rebound in the insurance sector and the overall strength of the financial sector.

Net income in the third quarter jumped 64 per cent to \$128m, or 82 cents a share, against \$77m, or 50 cents a share, in the same period of last year. The results would have been even stronger without a \$10.5m or 13 cents a share write-down on certain investments.

Sales and revenues for the quarter rose to \$5.5bn against \$4.8bn in 1985, including insurance and fi-

nance revenues of \$2.4bn and \$120m respectively.

In the first nine months, net income rose to \$302m or \$2.57 a share, against \$300m, or \$2.63 a share, in the same period of 1985, while sales and revenues jumped to \$17.1bn from \$14bn.

The nine-month figures included a gain of 30 cents a share from the sale of companies, including the remaining shares in Abbey Life of the UK, but the third-quarter increase in profits was achieved from operating earnings alone. Although the company did not break down the figures yesterday, the recovery in the group's Hartford Insurance subsidiary had a significant impact on the performance, along with buoyant profits from the car and electrical components' division.

Mr Selowsky agreed with VW's supervisory board that he should leave the company next year, VW said. He was formerly with KfKicker-Humboldt-Denk, the engineering company.

VW did not say why Mr Selowsky, 56, would not continue once his five-year contract is due for renewal. But there has been widespread speculation this year of boardroom disagreements centring on the management plans of Mr Carl Hahn, the chairman.

Mr Selowsky agreed with VW's supervisory board that he should leave the company next year, VW said. He was formerly with KfKicker-Humboldt-Denk, the engineering company.

VW will name a successor to Mr Selowsky nearer the time of his departure and declined to say whether he was going of his own accord.

But it is believed that Mr Hahn's plans to appoint an 11th member to exert more control over VW's growing worldwide operations would have conflicted with the finance director's responsibilities.

These plans reportedly caused consternation in the VW board when they were first put by Mr Hahn in April.

Volkswagen, which now includes Seat of Spain as well as the Audi subsidiary in Germany, expects this year to sell more vehicles than ever with a further advance in 1987.

For the year to the end of August, Volkswagen earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

Finance chief at VW to step down

By Andrew Fisher in Frankfurt

MR ROLF SELOWSKY is to step down as finance director of Volkswagen, the West German motor group, when his contract runs out next summer.

VW did not say why Mr Selowsky, 56, would not continue once his five-year contract is due for renewal. But there has been widespread speculation this year of boardroom disagreements centring on the management plans of Mr Carl Hahn, the chairman.

Mr Selowsky agreed with VW's supervisory board that he should leave the company next year, VW said. He was formerly with KfKicker-Humboldt-Denk, the engineering company.

VW will name a successor to Mr Selowsky nearer the time of his departure and declined to say whether he was going of his own accord.

But it is believed that Mr Hahn's plans to appoint an 11th member to exert more control over VW's growing worldwide operations would have conflicted with the finance director's responsibilities.

These plans reportedly caused consternation in the VW board when they were first put by Mr Hahn in April.

Volkswagen, which now includes Seat of Spain as well as the Audi subsidiary in Germany, expects this year to sell more vehicles than ever with a further advance in 1987.

For the year to the end of August, Volkswagen earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.

The company's problems have taken a toll on its share price which yesterday morning fell 5% to \$22, a fraction above its year's low point.

Earlier this year the shares were trading above \$33 a share.

For the year to the end of August, Humania earned \$54.4m, or 50 cents a share, compared with \$21.2m or \$2.10 a share in the previous year. Earlier this year the shares were trading above \$33 a share.

The company had hoped that the provision of relatively cheap medical insurance would provide captive customers for its large hospital chain. However, many of its insur-

ances customers used non-Humania health care and the costs of the insurance programme have proved higher than expected.</

BEAR STEARNS

Rectisel Corporation

has been acquired by

American Electronic Components, PLC

through its wholly-owned subsidiary

Durakool, Inc.

We acted as financial advisor to Rectisel Corporation.

Bear, Stearns & Co. Inc.New York/Atlanta/Boston/Chicago/Dallas/Los Angeles/San Francisco
Amsterdam/Geneva/Hong Kong/London/Paris

October 1986

This announcement appears as a matter of record only

LEASE FINANCE**GBP 35,000,000**

In respect of Stena Seawell a Multifunctional Maintenance and Support Vessel

provided to

NORTHERN COASTERS LIMITED

A wholly owned subsidiary of

REDERI AB CONCORDIA

Guaranteed by

Svenska Handelsbanken BARCLAYS BANK PLC

Provided by

BARCLAYS MERCANTILE INDUSTRIAL FINANCE LTD.Agent:
Svenska Handelsbanken
Göteborg

All of these securities have been sold. This announcement appears as a matter of record only.

**NEW WORLD PICTURES****\$215,000,000**12½% Subordinated Sinking Fund Debentures
Due September 15, 1998
Interest Payable on March 15 and September 15**L.F. ROTHSCHILD, UNTERBERG, TOWBIN, INC.****INTERNATIONAL COMPANIES AND FINANCE****Nobel lifts profits 58%**By Sara Webb in Stockholm
NOBEL Industries, the Swedish armaments and chemicals group, reported a 58 per cent increase in profits for the first eight months of this year. The group expects full-year profits to reach SKr 450m (US\$42m), up 50 per cent on the 1985 figure.

Profits after financial items for the first eight months reached SKr 210m, compared with SKr 130m last year.

Sales showed a 6 per cent increase at SKr 7.37bn, against SKr 7.13bn in the corresponding period last year.

Extraordinary income amounted to SKr 26m and was due chiefly to the sale of its electronic business, property, and shareholdings in Components and Nitro Nobel.

Arms sales rose 32 per cent to SKr 1.7bn, while operating profits doubled to SKr 57m. The company booked orders worth SKr 3.16bn, including an order worth SKr 2.4bn to supply complete field artillery systems to India.

The consumer goods division showed a 15 per cent increase in sales to SKr 1.93bn, and a 29 per cent increase in operating profits.

Sales in the adhesives and paints sector rose 10 per cent, while operating profits rose 36 per cent to SKr 157m.

However, chemicals and explosives showed a 30 per cent fall in sales to SKr 577m, while operating profit fell 89 per cent to SKr 3m.

Royal TrustCo boosted by property business

BY ROBERT GIBBONS IN MONTREAL

ROYAL TRUSTCO, one of Canada's two largest trust companies, benefited from strong mortgage and property business in the first nine months.

Earnings were C\$117m (US\$84.2m) or C\$1.69 a share, up from C\$86m or C\$1.67 a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Demain, Montreal-based pulp and paper, building materials and chemicals group, had nine month net operating profit of C\$3m or C\$1.07 a share against C\$6.8m or C\$2.07 a share a year earlier, on revenues of C\$1.7m against C\$1.5m. Construction materials,

C\$81.1m or C\$1.19 a share in the nine months, against C\$95.5m or C\$2.47 a share a year earlier. Assets at September 30 were C\$22.9bn against C\$21.4bn. The company is controlled by Inesco of Montreal.

Canadian Tire family shares up for sale

BY OUR MONTREAL CORRESPONDENT

TWO MEMBERS of the family which founded Canadian Tire, the merchandising success story of the 1970s in Canada, have put their 19.1m voting shares on the block. They are worth between them C\$15m (US\$13m) and C\$17m.

The holding of Mr Alfred and David Billes, totalling 41 per cent of the voting stock, is on offer through investment dealers, the company said. Another 20 per cent voting interest held by Ms Martha Billes, their sister, is not part of the deal.

Canadian Tire is a national car parts, sports and hardware group including 380 independent franchise dealers who together own 13.4 per cent of the voting stock.

The 3.4m voting shares outstanding represent only 5 per cent of the total equity and more than 60m non-voting shares are in issue. In some takeover conditions, the non-voting stock exercises a vote.

Inesco, the tobacco, fast food and retailing group, in 1983 made an unsuccessful C\$1.4m offer for Canadian Tire, but the bid was defeated by the Billes family. Since then the company has run into trouble with a large US subsidiary and has pulled out of an Australian venture.

In the first six months this year the company earned C\$34m or 51 cents a share against C\$49.4m or 60 cents a year earlier on sales of C\$1.1bn against C\$1.0m. Canadian Tire has been subject to takeover rumours for the past few weeks.

The 3.4m voting shares outstanding represent only 5 per cent of the total equity and more than 60m non-voting shares are in issue. In some takeover conditions, the non-voting stock exercises a vote.

Inesco, the tobacco, fast food and retailing group, in 1983 made an unsuccessful C\$1.4m offer for Canadian Tire, but the bid was defeated by the Billes family. Since then the company has run into trouble with a large US subsidiary and has pulled out of an Australian venture.

In the first six months this year the company earned C\$34m or 51 cents a share against C\$49.4m or 60 cents a year earlier on sales of C\$1.1bn against C\$1.0m. Canadian Tire has been subject to takeover rumours for the past few weeks.

The 3.4m voting shares outstanding represent only 5 per cent of the total equity and more than 60m non-voting shares are in issue. In some takeover conditions, the non-voting stock exercises a vote.

Inesco, the tobacco, fast food and retailing group, in 1983 made an unsuccessful C\$1.4m offer for Canadian Tire, but the bid was defeated by the Billes family. Since then the company has run into trouble with a large US subsidiary and has pulled out of an Australian venture.

In the first six months this year the company earned C\$34m or 51 cents a share against C\$49.4m or 60 cents a year earlier on sales of C\$1.1bn against C\$1.0m. Canadian Tire has been subject to takeover rumours for the past few weeks.

The 3.4m voting shares outstanding represent only 5 per cent of the total equity and more than 60m non-voting shares are in issue. In some takeover conditions, the non-voting stock exercises a vote.

Inesco, the tobacco, fast food and retailing group, in 1983 made an unsuccessful C\$1.4m offer for Canadian Tire, but the bid was defeated by the Billes family. Since then the company has run into trouble with a large US subsidiary and has pulled out of an Australian venture.

In the first six months this year the company earned C\$34m or 51 cents a share against C\$49.4m or 60 cents a year earlier on sales of C\$1.1bn against C\$1.0m. Canadian Tire has been subject to takeover rumours for the past few weeks.

The 3.4m voting shares outstanding represent only 5 per cent of the total equity and more than 60m non-voting shares are in issue. In some takeover conditions, the non-voting stock exercises a vote.

Inesco, the tobacco, fast food and retailing group, in 1983 made an unsuccessful C\$1.4m offer for Canadian Tire, but the bid was defeated by the Billes family. Since then the company has run into trouble with a large US subsidiary and has pulled out of an Australian venture.

In the first six months this year the company earned C\$34m or 51 cents a share against C\$49.4m or 60 cents a year earlier on sales of C\$1.1bn against C\$1.0m. Canadian Tire has been subject to takeover rumours for the past few weeks.

The

INTL. COMPANIES and FINANCE

Michael Field on a Bahrain group formed for foreign investment
Investcorp finds formula for growth

THERE ARE few companies in the recession-struck Middle East that have improved their performance in each of the last three years and are set to turn in their best results yet in 1986. One exception is the Bahrain-based Arabian Investment Banking Corporation (Investcorp), which was established in 1982 to buy companies and property in the industrialized countries and sell shares in them to rich Arabs in the Gulf and Saudi Arabia.

Mr Kirdar noticed in the 1970s that large numbers of bankers were visiting the Gulf with good investment proposals but that the potential Arab clients, despite having earmarked capital for foreign investment, were not responding. He saw two problems in particular. The Arab's reaction was too slow for them to get the best properties and direct corporate investments that they were offered, and there were

and its headquarters in Bahrain. The London office looks for investment opportunities in the case of direct corporate investment. Investcorp wants companies that have current cash income and well-known brand names, and which offer investors the prospect of a significant capital gain in a reasonable period of time. It is not interested in venture capital operations.

Typically the target company

The company readily admits that the reason for its success is that it is linked to the one growth area of the Gulf's economy, foreign investment. At the end of last week Investcorp finalised its 14th major deal, the purchase for \$83m of the Peebles Department store chain.

The group it is buying was founded 85 years ago and has stores in Virginia, North Carolina, Maryland and Delaware.

Investcorp has invited Shearson Lehman Brothers to be its partners in marketing the company's equity and debt. When the Peebles deal is completed, Investcorp will have made investment worth about \$1.2bn.

According to Mr Nimir Kirdar, the company's Iraqi chief executive, who formerly ran Chase Manhattan's Middle Eastern operations, "It's not just that our operations work well, but that we formulated the right concept in the beginning. In 1982 we set out very precise ideas for what we were going to do and we've stuck to them. Which is quite unusual."

With the purchase late last week of the Peebles Department Store chain for \$83m, Investcorp has spent \$1.2bn in the past three years on foreign investment and is set to turn in record results this year

very few individuals who were able to lay their hands on large sums of, say, \$60m, at short notice.

So he decided that the area needed an institution which could agree to a deal, straight away and then "turn round, move it in and make it available in \$10m pieces."

To make the institution credible with his future customers, Investcorp at first sold its shares to as many investors as possible in the six Arab oil producing countries—Saudi Arabia, the United Arab Emirates, Kuwait, Bahrain, Qatar and Oman. In effect the 325 founder shareholders became the customer base.

The company has an office in London (its only one abroad)

is a long-established family operation—as is the case with Peebles and with Mueller, the US manufacturer of fluid control devices for water and gas systems which Investcorp bought in June. Such companies have been run in recent years by professional managers, who have sold away from them while descendants of the founders are no longer involved in management and want to sell. The sellers appoint an investment bank to manage the sale, and the bank tells Investcorp of the opportunities.

Investcorp buys companies using its own capital resources (\$55m at the end of last year) and short-term bank credit. Then it reorganises the companies' liabilities.

Fletcher Challenge acquisition

BY OUR FINANCIAL STAFF

FLETCHER CHALLENGE, New Zealand's largest industrial company, has further shifted the balance of ownership in the Australasian foods sector by taking a 9.8 per cent stake in Goodman Fielder, a conglomerate created in March to combine food interests on both sides of the Tasman.

Goodman Fielder in August

bought 14.8 per cent of Banks Hovis Macdonald, the UK flour milling and baking group.

Fletcher becomes a Goodman shareholder in place of Arnotts, the Australian biscuit maker, which is selling its holding for A\$133.8m (£US\$85.15m). The nominal payment to Arnotts will come mainly in NZ\$128.5m (£US\$83.9m) worth of Fletcher shares, priced ex dividend at

Setback for NTN Toyo Bearing

By Yoko Shibusawa in Tokyo

NTN TOYO BEARING, one of Japan's biggest manufacturers of bearings, suffered a 62 per cent drop in earnings at both the pre-tax and net levels during the first half-year to September, as the appreciation of the yen hit exports and stiffer competition led to price cuts in several markets.

The company announced that it will reduce its 7,000 workforce by 200 people a year at its factories in Japan and will shift more production processes in effect to combat the effects of the yen's increasing strength.

Pre-tax profits fell 62.6 per cent to Y2.5bn (S15m) and net profits by 62 per cent to Y1.9bn, while sales dropped by 5.4 per cent to Y114.31bn. The company is forecasting a drop of one-third in full-year pre-tax profits to Y6.8bn on sales down 2.5 per cent to Y234.3bn.

Wattie Industries earnings down 21%

BY DAI HAYWARD IN WELLINGTON

WATTIE INDUSTRIES, the New Zealand canning, food and meat processing group, has reported net profit of NZ\$46.5m (£US\$24.57m) for its latest year, a drop of 21.2 per cent from the previous.

This was despite a NZ\$20.5m tax benefit achieved by including dividends which are not

accessible for tax purposes and by claiming interest as a deduction.

Extraordinary gains of NZ\$6.9m included NZ\$4.187.7m from the sale of Wattie shares in the old Goodman Group and acquisition of shares in Goodman Fielder.

This was partly offset by a NZ\$3.5m writedown of the value

Debt free US real estate:
 Enjoy the benefit of the experience and financial strength of a General Partner who serves over 140,000 US investors today. If you are interested in participating in debt-free prime US real estate with 10,000+ US\$ or more, please write or call

SOUTHMARK
 SUCCESSFUL IN
 US REAL ESTATE

Southmark (Europe) Ltd.
 Bellerivestrasse 5 8034 Zurich
 Telephone 01-69 3777
 Fax 01-69 39 54 Telex 816743

Malayan Banking Berhad
 US \$60,000,000
 Negotiable Floating Rate Dollar
 Certificates of Deposit due 1987 Tranche B

In accordance with the provisions of the Certificates, notice is hereby given that the rate of interest for the period from 21st October 1986 to 21st January 1987 has been established at 5% per cent per annum. The interest payment date will be 21st January 1987. Payment, which will amount to US \$3,993.06 per Certificate, will be made against the relative Certificate.

Agent Bank
 Bank of America International Limited

Bank of Greece
 US \$150,000,000
 Floating Rate Notes
 due 1994

Notice is hereby given that the rate of interest relating to the above issue has been fixed at 6% per cent for period 21st October 1986 to 21st January 1987.

Agent Bank
 Morgan Guaranty Trust Company of New York
 London

FIRST CITY BANCORPORATION OF TEXAS, INC.
 US\$100,000,000
 Floating Rate Notes
 due January, 1995

Notice is hereby given that the rate of interest relating to the above issue has been fixed at 6% per cent for period 21st October 1986 to 22nd January 1987. Notice is hereby given that the rate of interest for the period from 22nd January 1987 to 22nd January 1988 has been fixed at 6% per cent per annum. Payment date will be 22nd January, 1987.

Agent Bank
 Manufacturers Hanover Trust Company
 Agent Bank

NOTICE OF REDEMPTION
 US \$20,000,000
 Svenska Handelsbanken FRCD Due 30th November 1987

In accordance with the terms of the subscription agreement, we hereby notify the noteholders that Svenska Handelsbanken, Stockholm, have elected to redeem the entire principal amount on 30th November, 1986.

On the redemption date the FRCD's shall become due and payable upon presentation and surrender thereof at Svenska Handelsbanken Pic, 17 Devonshire Square, London EC2M 4SQ.

Dresdner Finance B.V.
 Amsterdam
 US\$ 400,000,000
 Floating Rate Notes 1983/1983
 with Warrants

The rate of interest applicable to the Interim Period from October 22, 1986 to October 21, 1987, inclusive, will be determined by Morgan Guaranty Trust Company of New York, London, as Reference Agent to be 8% per cent per annum. Therefore, interest per Note at 11.705% per annum will be payable on the relevant Interest Payment Date, 20 April 21, 1987, the relevant Interest Payment Date, in the amount of US\$ 0.05.97.

President and Vice President
 In October 1986
 Dresdner Bank
 Amsterdam
 Principal Paying Agent

Dresdner Bank Group

ALLIANCE ■ LEICESTER
 Alliance & Leicester Building Society
 £300,000,000
 Floating Rate Notes 1994

Notice is hereby given that the Notes will bear interest at 11.705% per annum for the interest period 20th October, 1986 to 20th January, 1987. Interest payable on the relevant interest payment date, 20th January, 1987 will amount to £147.52 per £1,000 Note.

Agent Bank
 Morgan Guaranty Trust Company of New York
 London

This announcement appears as a matter of record only. These Securities have not been registered under the United States Securities Act of 1933 and may not, as part of the distribution, be offered, sold or delivered, directly or indirectly, in the United States or to United States persons.

New Issue / October, 1986



U.S. \$100,000,000

Dansk Eksportfinansieringsfond (Danish Export Finance Corporation)

7% Variable Redemption Rate Notes Due 1989

Salomon Brothers International Limited

LONDON: Victoria Plaza, 111 Buckingham Palace Road, London, SW1W 0SB, England
 NEW YORK: Salomon Brothers Inc, One New York Plaza, New York, NY 10004
 TOKYO: Salomon Brothers Asia Limited, ARK Mori Building, 9th Floor, 12-32, Akasaka 1-chome, Minato-ku, Tokyo 107, Japan
 ZURICH: Salomon Brothers Inc, Stadelhoferstrasse 22, 8024 Zurich, Switzerland

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE

17th October, 1986



SUMITOMO CORPORATION OVERSEAS CAPITAL LIMITED (Incorporated with limited liability in the Cayman Islands)

Japanese Yen 25,000,000,000

8½% Guaranteed Bonds due 1991

Unconditionally and irrevocably guaranteed as to payment of principal and interest by

SUMITOMO CORPORATION

(Sumitomo Shoji Kabushiki Kaisha)
 (Incorporated with limited liability under the Commercial Code of Japan)

Issue Price 115%

Mitsui Trust International Limited

Bank of Toyko International Limited
 Banque Paribas Capital Markets Limited
 County NatWest Capital Markets Limited
 Deutsche Bank Capital Markets Limited
 Morgan Guaranty Ltd
 The Nikko Securities Co., (Europe) Ltd.
 Sumitomo Finance International

Banque Nationale de Paris

Citicorp Investment Bank Limited
 Daiwa Europe Limited
 Goldman Sachs International Corp.
 Morgan Stanley International
 J. Henry Schroder Wag & Co. Limited
 Sumitomo Trust International Limited
 Yamaichi International (Europe) Limited

INTERNATIONAL CAPITAL MARKETS and COMPANIES

David Barchard on financial reforms in an underdeveloped economy
Turkey edges towards free market

TURKEY'S long-suffering businessmen may soon obtain some relief from the punitively high interest rates they are paying on corporate loans. The relief is expected to come in a few weeks' time when Mr Turgut Ozal, the Prime Minister, unveils a series of measures designed to foster the growth of the country's embryonic financial markets.

The latest round of financial reforms is part of Mr Ozal's attempt since taking office three years ago to create a market environment in which until this decade was virtually closed to the outside world. Mr Ozal's economic reforms since 1983 have come as a series of shocks to the Turkish economy, which is still well behind the rest of Western Europe.

Mr Ozal's measures in recent years have both stimulated enormous demand and with it an average annual Gross National Product growth rate of between 8 and 8 per cent. On the other hand inflation has been running at 40 to 50 per cent in recent years. This year it is between 30 and 35 per cent.

Turkey's 54 banks have their deposit rates set by the Government. Demand deposits currently pay 10 per cent, while time deposits of up to 12 months pay as much as 52 per cent, the same rate as is paid on one-year Treasury bonds.

The existence of huge bad debts in the banking system—reckoned to be at least Turkish liras 1,000bn (\$14bn) out of total loan advances in the system of TL 6,500bn—has together with hefty reserve and liquidity requirements, resulted in nominal lending rates which are staggeringly high by the standards of most other countries.

The Turkish banking market has yet to create anything resembling a prime rate, but the same corporate names (the big family owned holding groups

such as KOC and Sabanci) end up paying an "indicative" rate of 55 per cent. Once compounded quarterly, and with 18 per cent of Government levies added in, this comes out at roughly 80 per cent interest on an annualised basis. Lesser borrowers, whether manufacturers or trading houses, may pay a rate as high as 95 per cent.

Other forms of corporate finance scarcely exist. The Istanbul stock market, launched last December, has 40 "actively" traded shares, but the word active in Turkey has an extremely relative meaning. Dr Ismail Turkkay, chairman of the Ankara-based capital markets board which regulates financial markets in Turkey, says that the equity market has seen the number of share transactions increase from "three or four a month last year" to as many as 25 or 30 trades a month at present. Average volume on the Istanbul Bourse is \$4m a month.

"I don't think we have a stock market. We don't have a capital market. The money market is thin. You can't go to university school yet," says Dr Vural Akiskil, general manager of the Istanbul-based Interbank, which specialises in trade finance.

Dr Akiskil reckons that Turkey "is 50 years behind Wall Street" in terms of its financial markets. For this reason Mr Ozal's liberalisation measures are an important development if the country is to nurture a free-market environment which allows industry to take advantage of the inherent growth potential in the economy.

The measures—which top government officials say they do not wish to describe as a package and prefer to introduce on a "phased and gradual basis"—are threefold:

• The launch of commercial paper issues;

• the freeing of competition between banks on deposit rates;

• And the setting up of a Government securities market.

The introduction of commercial paper is by far the most significant; it could make finance available to companies at 30 to 40 per cent below bank lending rates. One senior

years. The accounts of commercial paper issuers will have to be externally audited in the last financial year, a revolutionary step for Turkey, where audited balance sheets are few and far between.

The approach to deposit rate competition will be very gradual, largely because of fears that any freedom will see an immediate jump in rates. The first move will probably be to allow free competition on deposits of more than TL 50bn. This would be a natural point of entry because Turkish banks already bid in units of TL 50bn when purchasing Treasury bonds—an innovation started in May 1985.

Dr Rustu Saracoglu, who is expected to be named as the new central bank governor shortly, persuaded Mr Ozal two years ago that the auctioning of Treasury bonds was the logical way to begin when trying to allow market forces to determine interest rates.

The initial impact on the market would thus be slight. Subsequently, the level at which banks are free to set deposit rates would be lowered to TL 6m, the upper limit for deposit insurance in Turkey.

The creation of a real secondary market in Government securities will be a longer process. But Mr Ozal's advisers are convinced that this step is also a necessary part of the series of measures designed to bring some maturity, or at least adolescence, to the Turkish financial scene.

If the measures succeed—it will take at least a year to judge their progress—then it may be possible to lift certain foreign exchange controls on capital movements. But with Turkey's foreign exchange markets extremely tight and the country's current account still looking very weak, with an accumulated 1985 deficit of \$1.3bn, this final step may be some way off.

Ankara official said he was expecting initial commercial paper volume of up to TL 200bn in the first year.

Turkish businessmen must rely at present on costly bank loans or on a modest and stagnant corporate bond market.

For smaller businesses, there is an unregulated promissory note system which costs 6 per cent monthly interest and frequently sees the notes not honoured.

The commercial paper market will require firms to meet a set of specific criteria. Those companies wishing to raise more than very weakly with an accumulated 1985 deficit of \$1.3bn, this final step may be some way off.

Commission reductions would apply, under the plan now being considered, on transactions of Y16m (\$65,000). Last April commissions were cut on deals of over Y50m, though average rates remain higher than those of the US.

The TSE defends the retention of fixed commissions on transactions of less than Y16m, however, on the grounds that rates in Tokyo are relatively low for smaller deals compared with those in other countries. This business mainly involving private investors is largely in the hands of the smaller brokerage houses, which have been the most vigorous opponents of total abolition of fixed commissions.

At the same time, the TSE is moving towards the introduction of trading in stock index futures and options, in order to provide a means for investors to hedge their risks from share dealing. The Ministry of Finance is considering permitting stock index futures and options when it carries out a review of the Securities and Exchange Law in 1988.

Industrial and financial companies including Olivetti, Buitoni, plus interests in insurance, publishing, banking and other sectors.

Yesterday Codice unveiled a Y121.5bn (\$15.7m) consolidated net profit for its first year of operations.

Banca d'America e d'Italia, the Milan-based subsidiary of the Bank of America, is under-

stood to be for sale. In recent weeks interest has been expressed by the Istituto San Paolo di Torino, by Mr Gianni Agnelli, Fiat's chairman, and by Banca Commerciale Italiana, the second largest Italian state bank.

De Benedetti said he believed it would be an error if the Bank of America was acquired by a public bank.

De Benedetti was speaking at a Codice shareholders' meeting in Turin. The holding vehicle controls a range of

industrial and financial companies including Olivetti, Buitoni, plus interests in insurance, publishing, banking and other sectors.

Yesterday Codice unveiled a Y121.5bn (\$15.7m) consolidated net profit for its first year of operations.

Banca d'America e d'Italia, the Milan-based subsidiary of the Bank of America, is under-

stood to be for sale. In recent weeks interest has been expressed by the Istituto San Paolo di Torino, by Mr Gianni Agnelli, Fiat's chairman, and by Banca Commerciale Italiana, the second largest Italian state bank.

De Benedetti said he believed it would be an error if the Bank of America was acquired by a public bank.

De Benedetti was speaking at a Codice shareholders' meeting in Turin. The holding vehicle controls a range of

industrial and financial companies including Olivetti, Buitoni, plus interests in insurance, publishing, banking and other sectors.

Yesterday Codice unveiled a Y121.5bn (\$15.7m) consolidated net profit for its first year of operations.

Banca d'America e d'Italia, the Milan-based subsidiary of the Bank of America, is under-

stood to be for sale. In recent weeks interest has been expressed by the Istituto San Paolo di Torino, by Mr Gianni Agnelli, Fiat's chairman, and by Banca Commerciale Italiana, the second largest Italian state bank.

De Benedetti said he believed it would be an error if the Bank of America was acquired by a public bank.

De Benedetti was speaking at a Codice shareholders' meeting in Turin. The holding vehicle controls a range of

industrial and financial companies including Olivetti, Buitoni, plus interests in insurance, publishing, banking and other sectors.

Yesterday Codice unveiled a Y121.5bn (\$15.7m) consolidated net profit for its first year of operations.

Banca d'America e d'Italia, the Milan-based subsidiary of the Bank of America, is under-

stood to be for sale. In recent weeks interest has been expressed by the Istituto San Paolo di Torino, by Mr Gianni Agnelli, Fiat's chairman, and by Banca Commerciale Italiana, the second largest Italian state bank.

De Benedetti said he believed it would be an error if the Bank of America was acquired by a public bank.

De Benedetti was speaking at a Codice shareholders' meeting in Turin. The holding vehicle controls a range of

industrial and financial companies including Olivetti, Buitoni, plus interests in insurance, publishing, banking and other sectors.

Yesterday Codice unveiled a Y121.5bn (\$15.7m) consolidated net profit for its first year of operations.

Banca d'America e d'Italia, the Milan-based subsidiary of the Bank of America, is under-

stood to be for sale. In recent weeks interest has been expressed by the Istituto San Paolo di Torino, by Mr Gianni Agnelli, Fiat's chairman, and by Banca Commerciale Italiana, the second largest Italian state bank.

De Benedetti said he believed it would be an error if the Bank of America was acquired by a public bank.

De Benedetti was speaking at a Codice shareholders' meeting in Turin. The holding vehicle controls a range of

industrial and financial companies including Olivetti, Buitoni, plus interests in insurance, publishing, banking and other sectors.

Yesterday Codice unveiled a Y121.5bn (\$15.7m) consolidated net profit for its first year of operations.

Banca d'America e d'Italia, the Milan-based subsidiary of the Bank of America, is under-

stood to be for sale. In recent weeks interest has been expressed by the Istituto San Paolo di Torino, by Mr Gianni Agnelli, Fiat's chairman, and by Banca Commerciale Italiana, the second largest Italian state bank.

De Benedetti said he believed it would be an error if the Bank of America was acquired by a public bank.

De Benedetti was speaking at a Codice shareholders' meeting in Turin. The holding vehicle controls a range of

industrial and financial companies including Olivetti, Buitoni, plus interests in insurance, publishing, banking and other sectors.

Yesterday Codice unveiled a Y121.5bn (\$15.7m) consolidated net profit for its first year of operations.

Banca d'America e d'Italia, the Milan-based subsidiary of the Bank of America, is under-

stood to be for sale. In recent weeks interest has been expressed by the Istituto San Paolo di Torino, by Mr Gianni Agnelli, Fiat's chairman, and by Banca Commerciale Italiana, the second largest Italian state bank.

De Benedetti said he believed it would be an error if the Bank of America was acquired by a public bank.

De Benedetti was speaking at a Codice shareholders' meeting in Turin. The holding vehicle controls a range of

industrial and financial companies including Olivetti, Buitoni, plus interests in insurance, publishing, banking and other sectors.

Yesterday Codice unveiled a Y121.5bn (\$15.7m) consolidated net profit for its first year of operations.

Banca d'America e d'Italia, the Milan-based subsidiary of the Bank of America, is under-

stood to be for sale. In recent weeks interest has been expressed by the Istituto San Paolo di Torino, by Mr Gianni Agnelli, Fiat's chairman, and by Banca Commerciale Italiana, the second largest Italian state bank.

De Benedetti said he believed it would be an error if the Bank of America was acquired by a public bank.

De Benedetti was speaking at a Codice shareholders' meeting in Turin. The holding vehicle controls a range of

industrial and financial companies including Olivetti, Buitoni, plus interests in insurance, publishing, banking and other sectors.

Yesterday Codice unveiled a Y121.5bn (\$15.7m) consolidated net profit for its first year of operations.

Banca d'America e d'Italia, the Milan-based subsidiary of the Bank of America, is under-

stood to be for sale. In recent weeks interest has been expressed by the Istituto San Paolo di Torino, by Mr Gianni Agnelli, Fiat's chairman, and by Banca Commerciale Italiana, the second largest Italian state bank.

De Benedetti said he believed it would be an error if the Bank of America was acquired by a public bank.

De Benedetti was speaking at a Codice shareholders' meeting in Turin. The holding vehicle controls a range of

industrial and financial companies including Olivetti, Buitoni, plus interests in insurance, publishing, banking and other sectors.

Yesterday Codice unveiled a Y121.5bn (\$15.7m) consolidated net profit for its first year of operations.

Banca d'America e d'Italia, the Milan-based subsidiary of the Bank of America, is under-

stood to be for sale. In recent weeks interest has been expressed by the Istituto San Paolo di Torino, by Mr Gianni Agnelli, Fiat's chairman, and by Banca Commerciale Italiana, the second largest Italian state bank.

De Benedetti said he believed it would be an error if the Bank of America was acquired by a public bank.

De Benedetti was speaking at a Codice shareholders' meeting in Turin. The holding vehicle controls a range of

industrial and financial companies including Olivetti, Buitoni, plus interests in insurance, publishing, banking and other sectors.

Yesterday Codice unveiled a Y121.5bn (\$15.7m) consolidated net profit for its first year of operations.

Banca d'America e d'Italia, the Milan-based subsidiary of the Bank of America, is under-

stood to be for sale. In recent weeks interest has been expressed by the Istituto San Paolo di Torino, by Mr Gianni Agnelli, Fiat's chairman, and by Banca Commerciale Italiana, the second largest Italian state bank.

De Benedetti said he believed it would be an error if the Bank of America was acquired by a public bank.

De Benedetti was speaking at a Codice shareholders' meeting in Turin. The holding vehicle controls a range of

industrial and financial companies including Olivetti, Buitoni, plus interests in insurance, publishing, banking and other sectors.

Yesterday Codice unveiled a Y121.5bn (\$15.7m) consolidated net profit for its first year of operations.

Banca d'America e d'Italia, the Milan-based subsidiary of the Bank of America, is under-

stood to be for sale. In recent weeks interest has been expressed by the Istituto San Paolo di Torino, by Mr Gianni Agnelli, Fiat's chairman, and by Banca Commerciale Italiana, the second largest Italian state bank.

De Benedetti said he believed it would be an error if the Bank of America was acquired by a public bank.

De Benedetti was speaking at a Codice shareholders' meeting in Turin. The holding vehicle controls a range of

industrial and financial companies including Olivetti, Buitoni, plus interests in insurance, publishing, banking and other sectors.

Yesterday Codice unveiled a Y121.5bn (\$15.7m) consolidated net profit for its first year of operations.

Banca d'America e d'Italia, the Milan-based subsidiary of the Bank of America, is under-

stood to be for sale. In recent weeks interest has been expressed by the Istituto San Paolo di Torino, by Mr Gianni Agnelli, Fiat's chairman, and by Banca Commerciale Italiana, the second largest Italian state bank.

De Benedetti said he believed it would be an error if the Bank of America was acquired by a public bank.

De Benedetti was speaking at a Codice shareholders' meeting in Turin. The holding vehicle controls a range of

industrial and financial companies including Olivetti, Buitoni, plus interests in insurance, publishing, banking and other sectors.

Yesterday Codice unveiled a Y121.5bn (\$15.7m) consolidated net profit for its first year of operations.

Banca d'America e d'Italia, the Milan-based subsidiary of the Bank of America, is under-

stood to be for sale. In recent weeks interest has been expressed by the Istituto San Paolo di Torino, by Mr Gianni Agnelli, Fiat's chairman, and by Banca Commerciale Italiana, the second largest Italian state bank.

De Benedetti said he believed it would be an error if the Bank of America was acquired by a public bank.

MANAGEMENT : Small Business

ANGEL PEREZ CHAVEZ, a Panama City barber, bought out his boss last year, renovated the shop and re-named it Salón Angel. This year he has taken over the next door premises and expanded into ladies' hairdressing.

In February Patricia Cousins set up "El Cake de la Novia," an out-of-town bakery specialising in wedding cakes. She designs the American-style delicacies herself — other models include St Valentine's Day hearts or office-party cakes shaped like typewriters — and sells them directly or via Panama City retailers.

Jorge Ortega and his wife set up business repairing all types of electronic calculating machines, and the venture is now supporting them and four employees.

These three small-scale Panamanian entrepreneurs are recipients of a new kind of developmental aid. Instead of contributing to major industrial, communications or agricultural projects, the Swiss foundation, Fundes, aims to promote self-help in the most modest sectors of private enterprise. In the first 18 months of its existence, the initial pilot scheme has already benefited 65 individual projects, most of which needed only a few thousand dollars to get off the ground.

The programme was launched in April by Dr Stephan Schmidheiny, best known as the man behind the Swiss-based Eternit fibre cement group, Fundes — an acronym for the Spanish title "Foundation for Economic and Social Development" — was set up with \$1m of his money as a Swiss foundation and has since been expanded by the inclusion of some 20 other Swiss firms and individuals as sponsors. These have undertaken to provide a further \$1m.

In the same year, Fundes C.H. Panama was established as a Panamanian foundation to launch a pilot scheme in the Central American republic. As Dr Ernst Brugger, the director of the parent organisation, points out, Panama is not the flourishing economy its statistically high average income might indicate. Outside the prosperity of the capital and the former Canal Zone there is plenty of rural poverty — and less of an entrepreneurial tradition than in some other Latin American countries.

A further factor behind the choice of Panama is that it is the only country in the area where Schmidheiny has no business interests, "so nobody can say he is playing his book." The Panamanian experience has already encouraged the Swiss to set about starting operations elsewhere, and has attracted widespread attention. The Panamanian fund guaran-



Jorge Ortega and his wife were aided by Fundes with their electronic calculating machine repair business in Panama

John Wicks on a scheme for small ventures

Swiss fund for Panama projects

tees small loans of up to 20,000 balboas (1 balboa=\$1) for up to five years. The guarantees cover up to 75 per cent of the loans and by mid-1986 could total \$1m. The interest rate is 700,000 balboas. Little of this would otherwise have been granted to borrowers who had minimal collateral. The aspiring business people would in many cases have had to go to a usurer and pay up to 40 per cent interest a year — or more.

In the case of Salón Angel, an initial loan of 9,500 balboas was enough for Chavez to buy and re-equip his barber's shop. A second credit covered the expansion next door and the extension of his payroll to seven employees. El Cake needed 15,000 balboas to set up the business in a little bungalow and buy the necessary baking equipment and raw material.

Both Chavez and Cousins also made use of courses in business administration recommended by the foundation and the national small-business association, APEDA. Courses in book-keeping, marketing and personnel administration — to which participants are required to make a financial contribution "on principle" — are held in the evenings over a period of several weeks; most Fundes-backed entrepreneurs lack any kind of business experience.

Foundation spokesmen stress that their aim is to open up opportunities for new business and not distribute largesse. They also place a great deal of importance on the decentralisation of the Fundes model. In

the specific case of Panama, the loans are granted by Panamex experts and self-help is hoped to be strengthened by meetings of "experience groups" of people engaged in small business.

Fundes also says it has been extremely fortunate in obtaining Archbishop McGrath to preside over the Panamanian foundation. "We chose him not as a churchman, but as a personality," says Brugger. The Archbishop is both one of the leading worthies in the (non-liberation-theology) Catholic world of Latin America and one of the whitest figures in this country which has always enjoyed the highest inflation. He also plays an important role in the local Caritas organisation, which is now helping to promote the Fundes programme.

Fundes has already spurned further assistance, the first being the Inter-American Development Bank in Washington, which this summer approved \$500,000 worth of financing to help "low-income business persons" in Panama. Extended via the bank's programme for the financing of micro projects, the money will be channeled through Fundes to benefit something like 200 entrepreneurs who have not had access to what the IDB calls conventional sources of credit.

A foundation has already set up in neighbouring Costa Rica and there seems a good chance that could receive help from Unido. Further countries are being looked at, initially Guatemala and Ecuador, while inquiries have also been received from Columbia and Bolivia. It is even possible that the Fundes programme could start up in Asia.

"Our development aid should be concentrated in small projects," proclaims Dr Michael Adler, president of the State Council External Affairs Committee, on his return from a recent visit to Latin America.

Adler went to see Fundes' projects while he was in Central America — and combed them favourably with "office" Swiss aid to Peru, where he claimed funds were being used to cushion national inflation rather than to benefit small business.

Dr Wolf Wilhelm, deputy director of the government's Directorate for Development Co-operation and Humanitarian Aid, welcomes another venture in this field. His department, which already works together with the Swiss contact training scheme in Latin America, has been interested in Fundes from the start, he says, and is prepared to look at any concrete suggestions.

Whatever the case, the Swiss project seems to have picked a suitable place to start. IDB reports indicate that 90 per cent of all Panamanian businesses have fewer than 20 employees and 50 per cent fewer than five. And the failure rate to date is encouraging; only one in 20 projects.

A foundation has already been set up in neighbouring Costa Rica and there seems a good chance that could receive help from Unido. Further countries are being looked at, initially Guatemala and Ecuador, while inquiries have also been received from Columbia and Bolivia. It is even possible that the Fundes programme could start up in Asia.

This is the first time that a

British venture capital fund has used this technique and invites the question of whether the dozened unquoted risk vehicles in Advent's position might follow a similar route. It certainly highlights some of the horrendous technical problems surrounding venture capital in the City of London.

For Advent Technology is among the first generation of US-inspired funds formed five years ago that set themselves up as simple UK registered companies — the easiest possible arrangement they felt, for investors to grasp in what was then a new and poorly understood industry.

The fund, one of the three venture capital vehicles run by David Cooksey's Advent risk management group, has just been put into members' voluntary liquidation. This move is simply a clever technical trick to give investors liquidity in their shares without having to take the fund to the stock market as an investment trust, where the chances are that irrespective of its real qualities it would be valued at a discount to assets.

This is the first time that a

fund, for example, a period of 10 years, after which the fund will be broken up and shared in individual companies parcellled out to each investor.

Later UK risk funds have followed that example. Advent Technology, type vehicles are left with the problem of how to pass shares back to investors without paying tax unnecessarily.

One way round the problem is to become an investment trust. That would have been fine in 1981 when Advent Technology was formed because trusts were liked by the stock market and tended to trade at a premium to asset value.

The only problem with that structure is that disposals get taxed twice, once when the fund managers sell shares against whose favour a string of losses have been run up in the fund. More experienced US venture capital groups have sidestepped that pitfall by setting themselves up as limited life funds, disillusion with anything carrying a technology tag.

Indemnity, 1234 Great Eastern Street, London EC2A 3AZ, tel 01-730 4311.

Worldwide information on credit insurance rates is compiled monthly by Jardine Credit Insurance for Eurozone Trade Finance Report (01-238 3288).

When coping with documentation and shipping a prime rule is to read and re-read instructions. Packing lists, certificates of origin, certified invoices, bills of lading and airway bills all have to be checked.

If Letters of Credit are required the terms and conditions must be understood and carried out to the letter. International banks have to reject over 70 per cent of all documents because of inaccuracies and the cost of this to exporters runs into many millions of pounds each year.

One organisation that can help is SIFRO, a government-sponsored body which helps companies to simplify export paperwork. It publishes a checklist and supplies a low cost SPEX computerised invoice and documentation system. Further information on 01-930 0532.

Finally, shipping arrangements can make or break a sale. Exporters should use professionally qualified freight forwarders. Help is available from the Institute of Freight Forwarders, Safford House, 9 Paradise Road, Richmond, Surrey, TW8 1SA. Tel. 01-948 3141.

Martin Posner is a credit management consultant.

EDITED BY CHRISTOPHER LORENZ

Exporting on a sound financial basis

Martin Posner concludes his series

fixed investments and to train management. The remaining \$100,000 takes the form of a technical assistance grant to train Fundes personnel and strengthen its "financial and management procedures."

Another international body interested in the Swiss programme is the United Nations Industrial Development Organisation (Unido), of Vienna. During a September visit to Switzerland, its director-general, Domingo L. Sison, Jun., held discussions on possible co-operation with Fundes. Although no definite plans have yet materialised, Raymond Hechti of Unido's Zurich-based Investment Promotion Service saw there is a "clear intention to establish links."

Another possibility could be some sort of support from the Swiss Government, whose efforts in the promotion of "small" business in the Third World already include co-operation with Unido. The "Small is Beautiful" approach which is an integral part of Swiss economic thought makes the Fundes concept of self-help and mini-enterprises naturally attractive.

"Our development aid should be concentrated in small projects," proclaims Dr Michael Adler, president of the State Council External Affairs Committee, on his return from a recent visit to Latin America.

Adler went to see Fundes' projects while he was in Central America — and combed them favourably with "office" Swiss aid to Peru, where he claimed funds were being used to cushion national inflation rather than to benefit small business.

Dr Wolf Wilhelm, deputy director of the government's Directorate for Development Co-operation and Humanitarian Aid, welcomes another venture in this field. His department, which already works together with the Swiss contact training scheme in Latin America, has been interested in Fundes from the start, he says, and is prepared to look at any concrete suggestions.

Whatever the case, the Swiss project seems to have picked a suitable place to start. IDB reports indicate that 90 per cent of all Panamanian businesses have fewer than 20 employees and 50 per cent fewer than five. And the failure rate to date is encouraging; only one in 20 projects.

A foundation has already been set up in neighbouring Costa Rica and there seems a good chance that could receive help from Unido. Further countries are being looked at, initially Guatemala and Ecuador, while inquiries have also been received from Colombia and Bolivia. It is even possible that the Fundes programme could start up in Asia.

This is the first time that a

75 per cent of the invoice value. The finance advanced for is based on the actual collection period but is comparable with standard overdraft rates.

A further scheme is Exfinco. The Export Finance Company, which offers exporters immediate payment on shipment of goods and will eliminate exchange risks. Details on 01-526 9681.

Another way exporters can ensure they get paid is credit insurance. The Export Credits Guarantee Department (ECGD) Marketing Commentaries which offer an efficient way of understanding the fluctuations of foreign exchange. They are produced and distributed daily. Further information from Midland International Banking Section, 110 Cannon Street, London EC4N 6AA (tel 01-623 9393).

The bank also produces Foreign Exchange Advisory Service (FXAS) Marketing Commentaries which offer an efficient way of understanding the fluctuations of foreign exchange. They are produced and distributed daily. Further information from Midland International Banking Section, 110 Cannon Street, London EC4N 6AA (tel 01-623 9393).

A further monthly publication, National Westminster Bank's International Review, highlights changes in the world economy. Some 55 countries are charted for strengths and weaknesses. Further information from 01-930 5944. And another publication which provides an invaluable understanding of the intricacies of exporting is Schmidheiny's Export Trade, by Professor Clive M. Schmidheiny, published by SPEX.

Factoring can be another useful facility. A service fee of between 1 and 3 per cent is charged on invoices. Depending on the terms of payment, the factor will advance up to about

British venture capital fund has used this technique and invites the question of whether the dozened unquoted risk vehicles in Advent's position might follow a similar route. It certainly highlights some of the horrendous technical problems surrounding venture capital in the City of London.

For Advent Technology is among the first generation of US-inspired funds formed five years ago that set themselves up as simple UK registered companies — the easiest possible arrangement they felt, for investors to grasp in what was then a new and poorly understood industry.

The only problem with that structure is that disposals get taxed twice, once when the fund managers sell shares against whose favour a string of losses have been run up in the fund. More experienced US venture capital groups have sidestepped that pitfall by setting themselves up as limited life funds, disillusion with anything carrying a technology tag.

The investment trust option was made all the more undesirable for Advent because its technology fund's record performance has so far been dull. The 29 companies in its portfolio were valued last March for the annual report at £14.8m, up from the fund's £16m book value five years previously. "It isn't a particularly happy performance," admits Cooksey, "but it's a lot better than a lot of people who started at the same time."

He hints that the valuation has risen strongly since March, partly thanks to three successful flotations in the portfolio. And to show that Cooksey is prepared to put his money where his mouth is, Advent has taken up in full the share options due to it in the fund, paying £2.5m for a 20 per cent stake.

William Dawkins

Business Opportunities

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Ca'shhh!

It's the confidential Factor.

Would you like to turn your invoices into cash without anyone knowing? Now you can. For just a 'phone call you could have an advance of 80% on invoice, with the balance when your customers pay, if you have a turnover of £750,000 or more.

No-one need ever know — it's called Confidential Invoice Discounting. We'll share more secrets with you when you 'phone on (0273) 21211 and talk to our New Business Department.

To: Confidential Invoice Discounting Limited, P.O. Box 240, Sovereign House, Queen's Road, Brighton BN1 3WX. Telephone: 0273 21211.

Please send me more information covering your full range of services.

Name _____

Title _____

Company _____

Address _____

Postcode _____ Telephone _____



**Confidential
Invoice
Discounting**

A member of the Lloyds Bank Group

CONCRETE FLOATING DOCKS

U.S. manufacturer of "ROCK DOCK™ Glass Fibre Reinforced Concrete Floating Dock System" (patent pending) is expanding the Australian market-place with operational headquarters being established at its planned new production facility in South Australia.

"ROCK DOCK™", the most advanced dock system ever designed for boats, will be available in Australia in 1987. "ROCK DOCK™" which has been used throughout the U.S. for the past five years, has been researched, developed, and tested to meet the U.S. Army Corps of Engineers' specifications and is in current use by the U.S. Coast Guard and many others in the government and private sector.

This proven successful concrete floating dock system has been engineered for year round use in frigid or tropical climates and fresh or salt water. The ROCK DOCK System makes available a heavy-duty, maintenance-free, competitively-priced dock system which offers design-textured, colour-coordinated concrete deck surfaces — every boat owner and marina is a potential customer. Market research indicates industry demand in Australia to be overwhelming.

Applications are now being accepted for exclusive distributors in New South Wales, South Australia, Queensland, Victoria, Western Australia, and New Zealand. Joint venture inquiries are welcome relative to production facilities scheduled to open in Sydney, Perth, and Melbourne and other South Pacific countries. Selected distributors will begin working immediately on site clubs, marina waterfront developments, home owners, commercial fisheries, water amusement parks, aquaculture farms, marine engineering firms, etc., while pursuing anticipated six-figure incomes in the glamorous world of yachting.

Distributors must be sales and management-oriented, be able to provide top references and be able to start immediately. Must have adequate working capital for operations and inventory . . . US\$100,000 minimum.

Personal interviews will be conducted in Sydney, Melbourne, Adelaide, and Perth commencing November, 1986. Contact Vice President, Australia Operations for details:

ROCK DOCK, INC.
511-11th Avenue South
Minneapolis, MN 55415 U.S.A.
Telex: 4310673 (MEVBTG MPS) Fax: 1-612-335-4048
Phone: 1-612-335-4048
P.S. Marina Developers' inquiries welcome!

PROPERTY FINANCE FROM £250,000 UNLIMITED

* Up to 75% of valuation
From 11% fixed rates
From 11% variable rates
* Terms — Bridging to 30+ year loans
Interest only facilities
Security: Standard
* Residential and commercial developments
* Offshore companies considered

Berkeley Seymour
33 Ivor Place
London NW1 6DA
Telephone: 01-734 3311
Telex: 291497 SEMOUR
Fax No: 01-734 9495

U.S.A. BASED REAL ESTATE DEVELOPMENT TEAM SEEKING FINANCIAL BACKING

* Economically viable projects
* Experienced in historic restoration projects
* Experienced in long term leases
* Financial backing in form of equity in medium size (6 figure range sought)

A DEVEREUX GROUP OF COMPANIES
Please reply with full details to: Box F892
Financial Times, 10 Cannon St, London EC4P 4BY

INTERNATIONAL TRADE CREDIT
Private Company (in Home Countries) with 8 years trading experience and a healthy order book in Trade Credit and risk analysis in both the general and marine fields wishes to merge.

Contact Robin Whalley & Associates Ltd

1 Garrick House, Carrington Street, London WIY 7LF

EXPERIENCED MANUFACTURER Specialists in aircraft maintenance for aircraft maintenance, Write Box F-6879, 10 Cannon Street, London EC4P 4

Businesses for Sale

S. G. OWEN

The Joint Receivers and Managers offer for sale the business, assets and goodwill of S. G. Owen.

- Leaders in selective plating technology.
- Manufacturers of specialist selective plating equipment.
- Jobbing precision platers for the electronic and allied industries.
- Freehold premises in Northampton.
- Annual turnover £4 million.
- Established markets in Eastern and Western Europe and the U.S.A.
- 110 employees.

Enquiries to:
J. A. Talbot and A. D. Harries
Arthur Andersen & Co.,
1 Victoria Square,
Birmingham B1 1BD.
Tel: 021-233 2101.

ARTHUR ANDERSEN & CO.

FOR SALE ZINC AND LEAD OREBODY IRELAND

The Receiver of Buta Limited (in Receivership) is offering for sale by Private Treaty the Zinc and Lead Orebody located near Navan, Co. Meath, Ireland. A mine has been planned to produce 600,000 tonnes of Ore per annum from this Orebody. The necessary regulatory approvals and planning permissions to operate at this level have been obtained. This site is very close to both the Dublin and Drogheda Ports and a skilled workforce potential exists. The extensive Orebody is being offered for sale free of all liabilities and

encumbrances. The relevant technical information and the Company's development proposals will be made available to interested parties. A favourable tax climate exists for the development of mineral resources in Ireland. All enquiries should be addressed to:

Lorraine Crowley,
Receiver and Manager,
Buta Limited (in Receivership),
1, Stokes Place,
Dublin 2.
Telephone: 755564.
Telex: 244494 (SICHER).
Facsimile: 755515.

STEEL CASTINGS MANUFACTURER MIDLANDS

An industrial company is prepared to sell its steel castings subsidiary. Potential purchasers are invited to register their interest by writing to:

Ernst & Whinney Corporate Advisory Services, Windsor House, 3 Temple Row, Birmingham B2 5LA.

Ernst & Whinney
Accountants, Advisers, Consultants

Business Opportunities

WORLD-WIDE, ONE-STOP DEBT COLLECTION SERVICE

including all parts of the UK, and elsewhere

Whether you are a large public company, or a bank or a small trader those who are due you money should be made to pay whether the amount is small, medium or very large.

We can arrange such a collection service as above described through planned connections of repute but cannot of course guarantee payment if your creditor is bankrupt or verging upon it.

Inquiries about this UK wide/world-wide one stop debt collection service should be sent to:

Weir & Franks W.S.

SOLICITORS
15 Rutland Street
EDINBURGH EH2 2BS
Tel: UK 031 229 7251

(Written estimates of any costs involved will be provided on request)

SHORT TERM BUILDING AND BRIDGING FINANCE

on Industrial Commercial and Residential Developments at Prime Cost Minimum £250,000

Apply to:

HIRSCH

Europe's Leading
Financial Consultants
Please address inquiries to:
Hirsch International (Financial Services) Ltd
15-17 Finsbury Square, London EC2M 7AF
Tel: 01-628 6051/2 Telex: 20274

CORPORATE ASSISTANCE!

Founder of financial services group Hirsch International (Financial Services) is seeking a new challenge, vast experience in the following areas:

DEVESTMENTS
MARKETING
FINANCIAL & FINANCING

Extensive overseas connections particularly North America and also in the Far East. No specific project considered.

Write Box F807, Financial Times
10 Cannon St, London EC4P 4BY

Conferences

PRODUCT LIABILITY

Designers, Manufacturers, Insurers, Importers
How will this new legislation affect your business?

Our conference will tell you
November 18th 1986
Skyway Hotel, Heathrow

Contact Ergolab Conferences
0808 283584/505345

STEEL TUBE STOCKHOLDER

LONG ESTABLISHED COMPANY OFFERED FOR SALE

- Turnover approx. £7.5m
- Employs 100 people
- Large range of stock
- Fully equipped leasehold premises in North and South of England.

For further details contact: Christopher Morris or Lynn Gibson.

Touche Ross

33/34 Chancery Lane, London WC2A 1EW
Telephone: 01-405 8799. Telex: 261296 TRCHAN G.
Telecopier: MerlinFax 01-831 2628.

Vertical manufacturer of high-quality Ladies Dresses and Suits

based in Leicester and operating from leasehold premises totalling approximately 28,000 sq ft, on long renewable lease, complete with varied modern knitting and making up plant.

Turnover between £1.5 to £2m. Supplying large mail order customers and own branded merchandise. 98 employees.

Principals only apply Boz H1336
Financial Times, 10 Cannon St, London EC4P 4BY

Merseyside Printers

The business and assets of this long established yet fully modernised commercial printers are offered for sale.

The business is situated on Merseyside and current annual turnover is approximately £500,000.

For further information please call Mr J. McNeill at Grant Thornton on Liverpool (051) 227 4211.

Grant Thornton
CHARTERED ACCOUNTANTS

Business Services

CORPORATE FINANCE CONSULTANTS LIMITED

A Professional Consultancy Company offering Financial Advisory Services to the Corporate Sector.

Short/Long Term Facilities can be arranged for Flotation, Capitalisation or Acquisition purposes.

Minimum £1,000,000

Principals only should write to:
77 Moscow Road, London W3 7EL or
Telephone: 01-727 6474 Telex: 895362 Fax: 01-221 1196

FINANCE EXPORTS/IMPORTS

Back to Back Letters of Credit
ELKA FINANCE LTD
8/14 Ormeau Road, London
Tel: 01-722 0400 - Telex: 260003

START UP CAPITAL REQUIRED

New nationwide gift service is now seeking funds for early launch 1987

All options considered
Reply to Box F807
Financial Times
10 Cannon St, London EC4P 4BY

ENTREPRENEURS £300,000

Required for rapidly expanding high tech systems design/development company. Current market value £10 million. Projected turnover in excess £1m with excellent prospects for future growth at home and overseas.

Write Box F807, Financial Times
10 Cannon St, London EC4P 4BY

DIRECT LINE TO A PROFITABLE FUTURE

We operate a highly skilled team of consultants specialising in:-
• Strategic & Market analysis
• Business & Financial modelling
• Executive Factor work
• Evaluating new business ventures
• Executive search & selection

FINANCE

Lines of credit up to £10m arranged by qualified Bankers for individuals/corporates with via telephone. Special expertise in corporate property and international transactions. Write or telephone with details:

HOLGATE & ASSOCIATES
4/6 Bay St, London SW1Y 6AB

Telephone: 01-930 6472

LIMITED COMPANIES

FORMED BY EXPERTS
FOR £1221 INCLUSIVE
READY MADE £1222
COMPANY SERVICES LTD
10 Cannon St, London EC4N 1EW

25-35 Cannon Street, London EC4
01-628 5434/5, 7361, 9336

FOR BEST TELEX/FAX

PHONE:
01-847 1965

BUSINESS AND AGENTS v. agents and
importers companies for sales. Contact
THE BUSINESS COMPANY
FORMATION & SEARCHES! Part
service! Credit Cards! 01-247 3562

BELOW COST LIMITED STOCK

V29 MODEMS
STATISTICAL

MULTIPLEXORS

4/8 port

KILOSTREAM

MULTIPLEXOR

4 port

Tel: (026) 64705

HOUSES'S WATLINGTON BUSES

BUS AND COACH COMPANY FOR SALE

Started business Watling, Oxford, Henley, London 40 miles, Heathrow 22 miles. Consisting of 40 vehicles mostly eng. on all types of PSV work except Continental. Premises include new 2 acre site under development and a park for 2 vehicles in Caversham, Reading, Berkshire. The bus was built in 1972 and has been owned and operated by the same family since. Results for sale, owner in his 60s and therefore retiring — he has no kids.

Contact: Mr A. J. House on 081 521 2318 or agent

Symmonds & Lawrence on Marlow 4383 - Ref: JGB

ORIEL COMPUTERS LIMITED

The Joint Receivers and Managers offer for sale the business and assets of the company comprising:-

- * Library automation services.
- * Computer bureau.
- * Information Technology specialists.
- * Stocks of computer equipment and peripherals.
- * Turnover £540,000 per annum.

Enquiries to:-

J. A. Talbot or A. D. Harries

1 Victoria Square

Birmingham

Tel: 021 233 2101

Direct Line: D. Tacey 0608 41351

**ARTHUR
ANDERSEN
& CO.**

FOR SALE

SUGAR CONFECTIONERY MANUFACTURER SOUTH WALES

This long established profitable business enjoys a good reputation for quality products throughout the UK and abroad.

Turnover £570,000 per annum.

Freehold premises providing manufacturing, warehousing and office facilities

70 Cannon St, London EC4P 4BY

PRECISION ENGINEERS

Location: South East

Due to reorganisation

Business, Goodwill and

Assets For Sale

Turnover in excess of

£200,000

for further details

Please call:

01-458 9076

MECHANICAL BUILDING SERVICES CONTRACTOR FOR SALE

Installation & Removal of Industrial/commercial building services

LOCATION: England

Turnover £2.2m historic 1985

£2.3 million prospective 1986

PRE-TAX PROFITS
£1.2m historic 1985

£120,000 prospective 1986

CONTACT:

Box H1322, Financial Times
10 Cannon St, London EC4P 4BY

WHOLESALE CASH & CARRY

T/O £100k
G.P. 6.5%

London

Long established family concern

operating from substantial freehold

property. Price £100,000. SAT or

otherwise. Details of way of share transfer. Ref: 8800/FT.

Christie & Co

22 Alvia Street

Edinburgh EH2 4PS

Tel: 031 225 5446

FOR SALE

AGRICULTURAL MACHINERY DISTRIBUTOR

North East Scotland - T/o £5m

Also Motor Distributor - T/o £1.4m

Significant property assets

Apply to:

Heriot & Co Ltd

25 Alvia Street

Edinburgh EH2 4PS

Businesses For Sale

**FARMER ENGINEERING
LIMITED**
IN RECEIVERSHIP
(a member of Farmer Group plc)
**STEEL FABRICATORS
& ERECTION CONTRACTORS**

The Joint Receivers offer for sale the business and assets which comprise:-

- * Modern freehold purpose built steel fabrication workshop of 70,000 sq. ft. on prominent 6 acre site in Leeds.
- full craneage facilities
- steel stock yard
- modern offices
- * Freehold fabrication workshop facility of 53,000 sq. ft. on 8 acre site in Darlington.
- 1 mile from A1
- full craneage
- steel stock yard
- development potential
- * Stock of raw materials and work in progress.
- * Motor vehicles.
- * Plant and machinery.
- * Fixtures and fittings.

All enquiries to A. W. Brierley or R. W. Trainor at:-
Arthur Andersen & Co
St Paul's House
Park Square
Leeds LS1 2PJ
Tel: 0532 438222
Telex: 554722
Fax No: 0532 459240

ARTHUR
ANDERSEN
& CO

**MUNRO INTERNATIONAL
TEXTILES LIMITED
(IN RECEIVERSHIP)**

The joint receivers offer for sale the established company which is available for purchase. The company sells to both the wholesale and retail trade a range of men's wear primarily the S-1 range of shirts and other men's wear freehold premises in Hinckley of approximately 36,000 sq ft. The premises provide an excellent investment opportunity. Approximate turnover £2,000,000 sq ft of the premises are currently sublet.

The assets offered for sale include:

- Goodwill
- Existing order book
- Detailed customer information

Interested parties should contact:

Joint Administrative Receivers,
John F. Powell
or Adrian R. Stanway
CORK GULLY
43 Temple Row
Birmingham B2 5JT

Tel: 021 238 9965
Telex: 337892

Cork Gully

**FARMER CABINS LIMITED
IN RECEIVERSHIP**
(a member of Farmer Group plc)
**MOBILE CABIN HIRE
OPERATORS**

The Joint Receivers offer for sale the business and assets which comprise:-

- * Comprehensive stock of 400 refurbished mobile cabins based in Greenwich and Leeds (90% on hire).
- * Motor vehicles.
- * Fixtures and fittings.
- * Goodwill and order book.

All enquiries to Peter Phillips or Edwin Kirker at:-
Arthur Andersen & Co
1 Surrey Street
London WC2R 2NT
Tel: 01 438 3486
Telex: 8812711
Fax No: 01 836 7631

ARTHUR
ANDERSEN
& CO

**SILWOOD HIRE COMPANY
LIMITED
IN RECEIVERSHIP**
(a member of Farmer Group plc)
**MOBILE CRANE HIRE
OPERATORS**

The Joint Receivers offer for sale the business and assets which comprise:-

- * Leasehold premises with offices, repair bays and lorry park on 3 acre site in Greenwich, London.
- * Mobile crane fleet (6 tonnes - 120 tonnes).
- * Motor vehicles.
- * Fixtures and fittings.
- * Goodwill and order book.

All enquiries to Peter Phillips or Edwin Kirker at:-
Arthur Andersen & Co
1 Surrey Street
London WC2R 2NT
Tel: 01 438 3486
Telex: 8812711
Fax No: 01 836 7631

ARTHUR
ANDERSEN
& CO

**SMALL INVESTMENT COMPANY
For Sale**

Comprising freehold property S.E. London for self-contained flats, one vacant: £150,000. Portfolio preference shares valued £50,000; cash £15,000; income £20,000 p.a.
OFFERED AT £205,000.

Write Box H134, Financial Times
10 Cannon Street, EC4P 4BY

**FARMER CABINS
MANUFACTURING LIMITED
IN RECEIVERSHIP**
(a member of Farmer Group plc)
**MOBILE CABIN
MANUFACTURERS**

The Joint Receivers offer for sale the business and assets which comprise:-

- * Leasehold premises of 14,000 sq. ft. with office facilities.
 - * Stocks of raw materials and work in progress.
 - * Motor vehicles.
 - * Plant machinery.
 - * Fixtures and fittings.
 - * Goodwill and order book.
- All enquiries to Peter Phillips or Edwin Kirker at:-
Arthur Andersen & Co
1 Surrey Street
London WC2R 2NT
Tel: 01 438 3486
Telex: 8812711
Fax No: 01 836 7631

ARTHUR
ANDERSEN
& CO

**ELEMETA LIMITED
(IN RECEIVERSHIP)**

Businesses and assets for sale at freehold locations in Southall, Middlesex and Park Royal, London NW10.

The business at Southall is that of designer, manufacturer and installers of prestressed dryline walling with an approximate annual turnover of £1.5 million.

The business at Park Royal consists of 3 divisions:-

- Manufacture and installation of fire resisting screens and doors.
- Stockholding of ground floor treatment emulsions in various finishes.
- General aluminium fabrication of entrance screens and refurbishment.

The Park Royal divisions have an approximate turnover of £4 million.

Further details from N.J. Hamilton and W.J. Ellis, Ernst & Whinney, Becket House, 1 Lambeth Palace Rd, London SE1 7EU. Tel: 01 225 2000.

Ernst & Whinney
Accountants, Advisers, Consultants

Humberts

By Direction of Lakeland Investments Limited, Established Leisure Park with Substantial Growth Potential.

- * Prime Lake District National Park location — M6 6 miles
- * Integrated leisure, rides and facilities including range of Craft Workshops, Restaurant, Bar, Swimming Pool, etc.
- * Bootle Lagoon and Minsterine Railway
- * Substantial visitor throughput with recent high capital investment programme.

Investment for further development

Superb Parkland setting — About 145 Acres

Equity stake or long leasehold interest available via going concern

Prin: Leisure Department, London Office — Tel: 01-620 6700

Legal Notices

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO**

In re:
STORAGE TECHNOLOGY CORPORATION;
and affiliated companies;

X Chapter II
Case No. 84-B-4277-3
(Joint Administration)

Debtors: X Case No. 84-B-4277-4
through 84-B-4277-9,
inclusive, and
84-B-4224-2

In re:
STORAGE TECHNOLOGY LEASING CORPORATION, et al.;

X Chapter II
(Joint Administration)

Debtors: X Case No. 84-B-4224-3
through 84-B-4224-7

NOTICE OF (1) HEARING TO CONSIDER CONFIRMATION OF PLAN;
(2) TIME FIXED FOR FILING ACCEPTANCES OR REJECTIONS OF PLAN;
(3) TIME FIXED FOR FILING OBJECTIONS TO CONFIRMATION OF
PLAN; AND (4) TIME FIXED FOR FILING OBJECTIONS TO THE
ASSUMPTION OF EXECUTORY CONTRACTS PURSUANT TO THE PLAN

To All Creditors, Equity Security Holders and Other Parties in Interest:

PLEASE TAKE NOTICE that following a hearing hearing held on October 6, 1986, the United States Bankruptcy Court for the District of Colorado ("Court") approved an Amended Disclosure Statement ("Disclosure Statement") with respect to the "Debtors' Joint Plan of Reorganization" dated October 3, 1986 (the "Plan") as containing adequate information to enable creditors, equity security holders, and other parties in interest to make an informed judgment about the Plan.

PLEASE TAKE FURTHER NOTICE that a hearing will be held on December 9, 1986, commencing at 9:00 A.M. in Courtroom 202, United States Courthouse, 16th Street and Tejon Street, Denver, Colorado 80202 to consider confirmation of the Plan. The hearing may be rescheduled or adjourned by the Court at its discretion.

PLEASE TAKE FURTHER NOTICE that a hearing will be held on December 9, 1986, shall be entitled to vote to accept or reject the Plan shall only be entitled to attend the hearing if they are received no later than 5:00 P.M. Mountain Standard Time on December 4, 1986. All Creditors and Security Holders holding securities in their own name must return their ballots to:

Storage Technology Corporation
Mail Drop VO
2200 South 8th Street
Lakewood, Colorado 80226.

Creditors hold beneficial interests in a creditor's name by brokerage firms and other institutions must be voted by those institutions. Beneficial owners must give instructions to the institutions holding the securities, and must communicate, in writing, their ballot to:

The Cetera Organization
100 John Street
New York, New York 10007

PLEASE TAKE FURTHER NOTICE that any objections to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal authority, and be filed with the Court and the Clerk of the Court at least 10 days prior to the hearing date set forth in the Disclosure Statement.

Please file your objection to the hearing date set forth in the Disclosure Statement.

PLEASE TAKE FURTHER NOTICE that any objection to confirmation of the Plan must be in writing, clearly specify the grounds therefor including the citation of supporting legal

UK COMPANY NEWS

Nikki Tait on the background to PWS's £184m all paper bid for C E Heath

Turning the tables with a vengeance

ONLY LAST month informal talks between PWS Holdings, headed by Mr Ronnie Ben-Zur, and capitalised at £63m, and the £178m insurance broking to underwriting company C E Heath, left the latter pondering the merits of a bid.

Instead, Heath announced merger talks with Hambro subsidiary Fielding Insurance—and yesterday, Mr Ben-Zur turned the tables with a vengeance, unveiling a £184m all-paper bid for his rival.

"Opportunistic," smirched analysts, and Heath directors alike, but the fact that Mr Ben-Zur was even able to contemplate such a move without being laughed out of court speaks volumes for C E Heath's current disarray.

PWS, in its current form, has existed for just six months. It was born from a merger last April between PWS International, quoted on Lloyd's, engaged principally in international reinsurance broking, and Howard Group, another Lloyd's broker which specialised in US domestic business and whose shares were trade on the United Securities Market. Mr Ben-Zur, previously chief executive of Howard, became chief executive of the combined group.

At the time of the merger Mr Ben-Zur was on the larger side—Howard was capitalised at around £97m, and PWS at £60m—but only now is a rapid acquisition trail throughout the 80s.

It was in 1984 when Mr Ben-Zur took control of the London-based insurance business which his father had started back in 1956. The following year, he



Mr Derek Newton (left), chairman of C E Heath, and Mr Ronnie Ben-Zur, chairman of PWS Holdings

acquired the broking interests of Hoveringham Group, including Lloyd's broker C Howard, and then, in 1984, an 80 per cent stake in a second Lloyd's business Anthony Popple & Co, buying out the remaining 20 per cent in 1985. That year a 51 per cent holding in US property broking business PCB was also added.

Yesterday, PWS estimated that its pre-tax profits for the year ended September would be around £8.5m, with brokerage income running at around £15.5m. Even so, that brokerage income is less than one-half C E Heath's, and the profits total perhaps one-third of its target. So why can it presume to bid?

Heath's problems fall into

four categories—and hit right across its business. Profitwise, business last year was split almost equally between broking and underwriting interests.

On the brokerage side, the dominance of US property and casualty business brought hefty currency losses so that, at the operating level, there was little improvement to £14.7m. Worse,

this summer key employees left to join the rival Stewart Wright group.

The underwriting side has fared no better. In the past, a major profits contribution came from workers' compensation business in Australia. This, however, is now being nationalised, costing the company about £4m in lost profits last

year and a further £4m in the current twelve months. Overall, pre-tax profits in 1985/7 are expected to be just £23m-£25m, against £32.8m last year.

Trading-wise, the brightest spot on the underwriting side has been Pimade's performance, a well-managed specialist. But there is an equally black cloud on the horizon in the shape of a fibre lawsuit being brought by the liquidator of a failed Bermuda insurer, Mentor.

Although liability has been stoutly denied by the Heath board, the parties are currently tussling over whether the case should be held in American or Bermudan courts—with no benefit to the Heath share price.

Heath, moreover, is itself involved in a second lawsuit—this time in claiming £6m from German Holdings, a Gibraltar-based company, to which it sold a subsidiary Mott's in 1982.

And, last but not least, there

is Heath's past failure to find a partner to help it out of the woods.

Merger talks with Hogg Robinson broke down in May last year—with Heath's commitment to its underwriting side given as the principal explanation. Then in June this year talks with Dewey Warren, a smaller insurance broker, also founders.

Finally, a month ago, it has finally appeared to be at hand in the form of Fielding Insurance—an 81 per cent owned subsidiary of Hambros. Talks were

—and still are—continuing,

with Heath offering to buy Fielding on a share-for-share basis, giving Hambros a 20 per

cent-plus stake in the combined company.

It was the Fielding move, which appears to have forced Mr Ben-Zur's hand. "If we hadn't bid now," he said yesterday, "Heath might not be available in six months' time."

The fit of the businesses, he claims, "is almost perfect." Looked at more dispassionately, analysts believe that Mr Ben-Zur's reputation as an extremely clever bidder might give Heath some of the corporate strength it rather patently lacks.

On the bidding side, PWS

interests could do well to Heath's

damage from the loss of staff—though even here doubts are expressed in terms of precise business overlap.

What is less clear is how the underwriting side of Heath fits into Mr Ben-Zur's plans. "We need to look at this carefully," he said yesterday. "If

it doesn't fit in with our criteria

for future profit growth, we will sell it."

Management, he added, would be given the option of first

right of refusal.

Whether management—or

anyone else—would be a ready

bidder for a group of companies

including Pimade's potential legal problems, is less obvious.

At present, as yet-unpub-

lished Fielding proposals and

PWS' bid are the only solu-

tions on the table.

But gossip among analysts

suggests that other bigger fish

—like Citicorp or Jardine

Matheson—might possibly like

to make a Norton-McCorquodale merger fearing the competition from a

combined group.

If Norton gets close but

does not quite reach the 50

per cent mark, it is expected

that it will bid although it

had hoped to save time and

money with a short bid

period.

Management, he added, would

be given the option of first

right of refusal.

Whether management—or

anyone else—would be a ready

bidder for a group of companies

including Pimade's potential legal problems, is less obvious.

At present, as yet-unpub-

lished Fielding proposals and

PWS' bid are the only solu-

tions on the table.

But gossip among analysts

suggests that other bigger fish

—like Citicorp or Jardine

Matheson—might possibly like

to make a Norton-McCorquodale merger fearing the competition from a

combined group.

If Norton gets close but

does not quite reach the 50

per cent mark, it is expected

that it will bid although it

had hoped to save time and

money with a short bid

period.

Management, he added, would

be given the option of first

right of refusal.

Whether management—or

anyone else—would be a ready

bidder for a group of companies

including Pimade's potential legal problems, is less obvious.

At present, as yet-unpub-

lished Fielding proposals and

PWS' bid are the only solu-

tions on the table.

But gossip among analysts

suggests that other bigger fish

—like Citicorp or Jardine

Matheson—might possibly like

to make a Norton-McCorquodale merger fearing the competition from a

combined group.

If Norton gets close but

does not quite reach the 50

per cent mark, it is expected

that it will bid although it

had hoped to save time and

money with a short bid

period.

Management, he added, would

be given the option of first

right of refusal.

Whether management—or

anyone else—would be a ready

bidder for a group of companies

including Pimade's potential legal problems, is less obvious.

At present, as yet-unpub-

lished Fielding proposals and

PWS' bid are the only solu-

tions on the table.

But gossip among analysts

suggests that other bigger fish

—like Citicorp or Jardine

Matheson—might possibly like

to make a Norton-McCorquodale merger fearing the competition from a

combined group.

If Norton gets close but

does not quite reach the 50

per cent mark, it is expected

that it will bid although it

had hoped to save time and

money with a short bid

period.

Management, he added, would

be given the option of first

right of refusal.

Whether management—or

anyone else—would be a ready

bidder for a group of companies

including Pimade's potential legal problems, is less obvious.

At present, as yet-unpub-

lished Fielding proposals and

PWS' bid are the only solu-

tions on the table.

But gossip among analysts

suggests that other bigger fish

—like Citicorp or Jardine

Matheson—might possibly like

to make a Norton-McCorquodale merger fearing the competition from a

combined group.

If Norton gets close but

does not quite reach the 50

per cent mark, it is expected

that it will bid although it

had hoped to save time and

money with a short bid

period.

Management, he added, would

be given the option of first

right of refusal.

Whether management—or

anyone else—would be a ready

bidder for a group of companies

including Pimade's potential legal problems, is less obvious.

At present, as yet-unpub-

lished Fielding proposals and

UK COMPANY NEWS

Hanson sells US offshoot to Hitachi Zosen

BY CHARLES BACHELOR

Hanson Trust, the diversified industrial holding company headed by Lord Hanson, is selling Clearing, a US manufacturer of metal presses, to Hitachi Zosen, the Japanese shipbuilding and heavy engineering group, for \$64m (£45m).

Clearing was acquired by Hanson in 1984 as part of its acquisition of US Industries, a Connecticut-based manufacturing group. It made a pre-tax profit of \$3.9m on turnover of \$38m in the year ended September 1986. It had a net asset value of \$64m at that year end.

Clearing, which is based in Chicago, Illinois, has had a long-standing association with Hitachi Zosen and has been making presses for the automotive industry from their designs since 1955.

The Clearing sale is the latest in a long series of disposals of parts of the companies Hanson has acquired in takeover bids in recent years.

Earlier this month it announced the sale of Golden

US group reviews tie-up with Lex

By Alice Rawsthorn

Lex Service, the motor and electronics distribution group, yesterday announced that National Semiconductor is reviewing its relationship as a supplier to Schweber, Lex's largest subsidiary in the US semiconductor distribution field.

National has taken the decision to review its role as a supplier to Schweber because of a perceived conflict of interest in Schweber's decision to distribute the products of one of its competitors, Texas Instruments.

Schweber has ceased to distribute National's products in eight of its 32 locations in the US. According to Lex it does not know whether National will terminate its agreement to supply other Schweber locations.

In 1985 National is thought to have provided ten per cent of Lex's \$200m turnover in the US electronics industry. Lex hopes that, in the long term, Texas Instruments' products will generate roughly double the sales of National.

In the last two years Lex has had a rough ride in the US. Its semiconductor interests have fared badly in the US electronic slump. This summer the company diversified into the less vulnerable area of connectors, with the acquisition of Richey/Impact Electronics, in order to reduce its exposure to semiconductors.

Lex's US electronics interests operated at a loss of £200,000 in the first half of this year, but had been nursed back to break-even by the end of the interim period and are now thought to be producing a modest profit.

Polly Peck International, the fruit packaging, electronics and mineral bottling group, plans to list its Hong Kong subsidiary on the colony's stock exchange within the next year. It announced its intention at the same time as the acquisition of Impact Textiles, a Hong Kong-based garment trading company, for HK\$81.5m (£23.5m). Impact buys Asian-made

clothes and shoes and sells them to European multiples and mail order houses. In the year to March 31 1986 it made after-tax profits of HK\$13.1m (£1.2m) on turnover of HK\$255m (£22.8m).

Polly Peck also announced its intention to buy the 50 per cent outside interest in Sun Hing, a Hong Kong textile company.

Impact Textiles' profits were down 6 per cent at £325,000 against £346,000 and Mr Peter Walker, chairman and managing director, said that profits would have been quite a lot higher but for the dispute.

However, he added that sales to newspapers generally had been quite buoyant. The company was supplying most of the ink for the Daily Telegraph's new web offset printing plants and for the contract printing of The Independent.

PPI to list HK arm

BY NIGEL CLARK

THE DISPUTE at News International's plant at Wapping, East London, has continued to affect the results of Usher-Walker, printing ink and roller manufacturer. Pre-tax profits were down 6 per cent at £325,000 against £346,000 and Mr Peter Walker, chairman and managing director, said that profits would have been quite a lot higher but for the dispute.

However, he added that sales to newspapers generally had been quite buoyant. The company was supplying most of the ink for the Daily Telegraph's new web offset printing plants and for the contract printing of The Independent.

As the market leader in the sector, Mr Walker said that the company was hoping to benefit further from the increasing use of web offset printing by newspapers. He was also hopeful of being able to recover sales to News International when the dispute was settled.

Turnover for the period was up at £5.54m, against £5.34m. Earnings per 10p share came out at 8.86p (8.24p) and an interim dividend of 2.45p has been declared against 2.25p last time. There was a total payment last time of 7.8p on a pre-tax profit of £346,000.

Mr Walker said that in the present half some improvement in margins was anticipated.

NORTON OPAX NORTON OPAX NORTON OPAX NORTON OPAX NORTON OPAX

This advertisement is published by Samuel Montagu & Co Limited on behalf of Norton Opax plc. The Directors of Norton Opax plc are the persons responsible for the information contained in this advertisement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. The Directors of Norton Opax plc accept responsibility accordingly.

NORTON OPAX

Final Offer* for McCorquodale PLC

Value of Norton Opax Final Offer:

294p

McCorquodale Share Price:

263p

Closing date* of Final Offer
1.00pm, Wednesday
22nd October, 1986

*The Final Offer is due to close, subject only to Norton Opax's right to extend, at 1.00pm on Wednesday, 22nd October, 1986. The Norton Opax offer is final, subject only to the right to reconsider the position in the unlikely event of a competing offer.

The value of the Norton Opax Final Offer and the McCorquodale Share Price are based upon the respective share prices of Norton Opax and McCorquodale at 3.30pm on 20th October, 1986 the latest practicable time prior to the printing of this advertisement.

NORTON OPAX NORTON OPAX NORTON OPAX NORTON OPAX NORTON OPAX

Davidson Pearce in agreed £12m bid

BY CLAY HARRIS

Davidson Pearce Group, holding company for Britain's seventh largest advertising agency, is to merge with Counter Products Marketing (CPM), the sales promotion and marketing services concern. The combined group will have a market capitalisation of £31m.

The offer by Davidson Pearce valued CPM at £11.55m. Davidson Pearce is to issue up to 7.6m new ordinary shares, approximately 37.2 per cent of the enlarged share capital, and to offer three of these shares for every four CPM ordinary shares. It has received irrevocable acceptances from directors and other shareholders representing more than 54 per cent of CPM's shares.

The advertising agency is expected to account for two-thirds of profits, but Mr Hawes, who will head the combined group, emphasised: "It's an equality of skills that is being brought together." Mr Richard Morris-Adams, CPM chairman, will become deputy chairman of Davidson Pearce.

CPM ranks in the top ten in UK sales promotion, while Davidson Pearce in recent years has added prestige clients such as Marks & Spencer, Fiat and Robert Bosch to its veteran team of drinking stars, Brooks Bond Oxo, PG Tips, chimpas.

Both companies came to the market last year. Davidson Pearce is to full listing with an offer for sale that valued it at £30.5m, CPM to the USM with a share placing that valued it at £12.5m.

The US-based Orliv Group, Davidson Pearce's parent until a management-staff buyout of 60 per cent of the equity in

John Lees doubles to £0.2m

from £100,951 to £213,300 pre-tax.

After tax of £89,952 (£18,488) and minorities of £14,358 (£10,158) earnings amounted to 6.45p (5.62p) per 10p share. The interim dividend is doubled to 1p net.

Turnover for the half year to September 30 improved from £1.82m to £2.39m and profits

The group benefited from growth in its business and manufacturing efficiency.

This announcement appears as a matter of record only
October 1986.

Technitron

A new company formed by members of management and by a syndicate of investors has acquired the Technitron Group of companies for an aggregate consideration of approximately £20m.

The transaction was arranged and underwritten by Investors in Industry plc and Citicorp Venture Capital Limited.

Shares were subsequently placed with the following:

Citicorp Venture Capital Limited Lead Investors

Investors in Industry plc Lead Investors

Baring Brothers Hambrecht & Quist Limited

County Development Capital Limited

Development Capital Corporation

ECI Investments

F&C Enterprise Trust plc

F&C Buy-out Trust

Fleming Ventures Limited

Globe Investment Trust P.L.C.

Ivory & Sime plc

Kleinwort Benson Development Capital Limited

Prudential Assurance Company Limited

Rothschild Ventures Limited

Schroder Ventures

SUMIT

Foreign exchange and other facilities provided by Chase Manhattan Bank N.A.

Citicorp Venture Capital and 3i were joint lead investors.



CITICORP VENTURE CAPITAL

Technitron Group is a leading Western European distributor of computer and instrumentation products.

We'd like to get on first name terms.

PLEASE DON'T THINK we're advocating any unseemly informality. Far from it.

We merely wish to become the first name that springs to mind when you're considering anything to do with offices, shops, or industrial and high-technology buildings.

Anything, did we say? Yes, more or less.

We're aware that's rather a large claim.

However, we are rather a large practice. (We've eighty-five partners and associates, and over five hundred staff in the UK alone.)

And we didn't get big by turning down small jobs. In the past year, for example, we've handled instructions on units ranging in size from 400 square feet up. Admittedly, the largest is 3 million square feet, and it's true that much of our work is extremely large.

As a matter of fact we think our size adds perspective to our experience and skills.

Big can be beautiful too, you know.

We'd like to put our skills at your service. And to begin with, let's run through what we do.

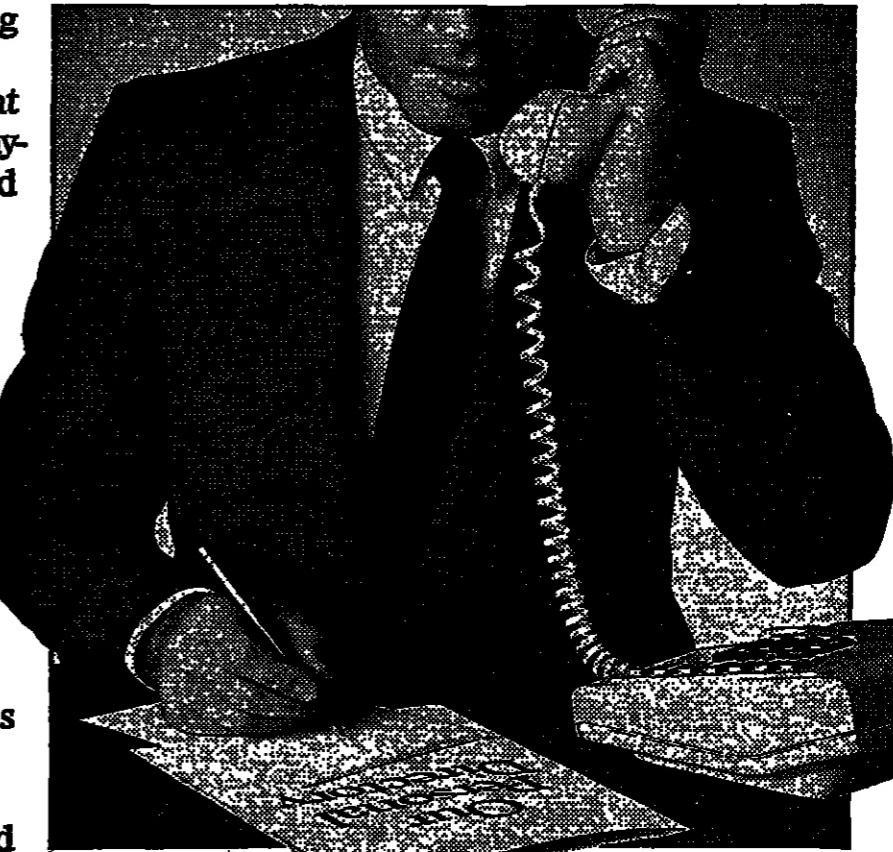
Our investment people handle buying and selling, and the funding of property development.

Our agency teams cover developing, letting and acquiring, as well as rent reviews and lease renewals.

Our valuations group can tell you what your property's worth.

And in these days of 'intelligent buildings' you need highly intelligent advice on management, maintenance, and the improvement of property.

What's more our databank is one of the



largest sources of commercial property information; which is one reason we act as consultants to so many clients.

And we're just as at home abroad. In other Jones Lang Wootton firms overseas there are a further 125 partners and 1,200 staff, in 35 offices, in 14 countries, on 4 continents.

Whether you're at home or abroad, large or small, we're at your service.

If you'd like to know anything else, please call us on 01-493 6040.

To begin with, just ask for Jones Lang Wootton.

Jones Lang Wootton

The first name to call in commercial property.

Chartered Surveyors. International Real Estate Consultants. 22 Hanover Square, London W1A 2BN. Telephone: 01-493 6040. Kent House, Telegraph Street, Moorgate, London EC2R 7JL. Telephone: 01-638 6040.

UK COMPANY NEWS

GRANVILLE

Granville & Co. Limited			Telephone 01-621 1212
			Member of Finsbury
High Low	Company	Gross Yield	F/E
148 118 Ass. Brit. Ind.	123	10.0 7.7	8.1 7.8
151 121 Ass. Brit. Ind. CULS.	130	—	—
151 43 Arisprun Group	98	7.6 7.9	6.3 5.4
128 28 Armitage and Rhodes	37nd	4.2 11.4	4.7 10.7
128 28 Armitage and Rhodes	97	4.1 4.3	2.4 2.0
83 23 Bay Technologies	83nd	4.3 5.2	8.8 9.0
201 76 CCL Ordinary	98	+1.1 2.9	6.1 10.7
125 20 Carborundum Co. Pl.	95	1.5 1.8	1.7 1.7
202 80 Carborundum Ord.	223	9.1 3.6	12.2 12.5
94 63 Carborundum 7.5pc Pl.	81	—	10.7 11.8
145 46 Deborah Services	146	7.0 4.8	15.2 20.0
125 20 Deloitte and Touche	102	—	—
125 69 George Blair	122	3.8 3.8	2.4 3.7
92 20 Ind. Precision Castings	92	6.7 7.3	8.2 8.1
125 122 Jata Group	125nd	18.3 12.5	7.5 7.5
125 22 James Burrough	122	5.5 5.5	8.7 7.5
277 22 James Burrough SpecPl.	370	17.0 4.8	10.4 9.5
100 85 James Burrough SpecPl.	82	12.9 14.0	—
102 22 Record Ridgeview	840	—	4.0 5.0
260 22 Record Ridgeview Ord.	375	—	—
100 57 Record Ridgeview 10pcPl	87	+1.1 14.1	16.2 17.7
92 32 Robert Jenkins	93	—	4.1 5.6
32 22 Selsdon	32	—	—
128 69 Torday and Carlisle	128nd	5.7 4.5	7.0 7.7
370 322 Trevian Holdings	322	7.9 2.5	8.7 8.1
70 47 Walter Alexander	70	2.0 1.7	1.7 1.9
228 180 W. S. Yates	187	5.0 5.1	5.3 5.9
		17.4 8.8	19.7 21.9

NOTICE OF REDEMPTION

To the Holders of

TOKYO SANYO ELECTRIC CO., LTD.

US\$40,000,000

5% Convertible Notes Due November 30, 1996

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated August 12, 1981 between Tokyo Sanyo Electric Co., Ltd. (the "Company") and Morgan Guaranty Trust Company of New York, as Trustee, all of the above-named Notes outstanding under the said Indenture have been called for redemption on 30th November, 1986 at the redemption price of 103% of the principal amount thereof. Coupons maturing on 30th November, 1986 will be paid in the usual manner. From 30th November, 1986 all interest on the Notes shall cease to accrue.

The right to convert the Notes into Common Stock of the Company will terminate at the close of business on Wednesday, 26th November, 1986, the second Business Day immediately preceding the date fixed for redemption. Notes to be converted should be surrendered in accordance with Section 3.02 (a) at the office of the Conversion Agents specified at the end of this notice on or before 26th November, 1986.

The Notes are presently convertible into Common Stock of the Company at a price of £43.80 per share. At such Conversion Price the holder of US\$5,000 principal amount of Notes would receive 2,742 shares of Common Stock of the Company (using the fixed exchange rate specified in the Indenture) yen 232.45 equals US\$1.00). Converting Noteholders will receive certificates for shares with respect to a sum of 1,000 shares of its integral multiples, and with respect to any number of shares not comprising a full unit of 1,000 shares, they will receive a cash adjustment thereon. Failure to deliver Notes for conversion on or before 26th November, 1986 will automatically result in a redemption price of US\$5,150 for each US\$5,000 principal amount of Notes and payment of coupon maturing on 30th November, 1986. Such payment will be made on and after Monday, 1st December, 1986.

Notes for redemption must have attached all coupons maturing after 30th November, 1986 and should be presented for payment at the specified offices of the Paying Agents listed below.

PAYING AND CONVERSION AGENTS

Morgan Guaranty Trust Company of New York 30 West Broadway New York, New York 10015	Morgan Guaranty Trust Company of New York 14, Place Vendome 75001 Paris
Morgan Guaranty Trust Company of New York Morgan House, 1 Angel Court London EC2R 7AE	Banque Generale du Luxembourg S.A. 14 rue Aldringen Luxembourg City
Morgan Guaranty Trust Company of New York Avenue des Arts 35 B-1040 Brussels	Swiss Bank Corporation 1, Aeschenvorstadt 4002 Basel Switzerland

TOKYO SANYO ELECTRIC CO., LTD.

DATED: 21st October, 1986

Any payment made within the United States, including any payment made by transfer to an account maintained by the payee with a bank in the United States, may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding at the rate of 20% if payees not recognized as exempt recipients fail to provide the payee agent with an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50.00. Holders should therefore provide the appropriate certification when presenting Notes for payment.

Highland Distilleries checked by high tax

WITH THE home market for the sale of Famous Grouse whisky increasing, Highland Distilleries lifted its turnover by 6.6 per cent to almost £108m in the year ended August 31, 1986.

Operating profit rose from £7.57m to £8.53m and the profit before tax from £9.5m to £10.3m, equal to growth of 8.2 per cent and 8.5 per cent respectively.

After higher tax, however, earnings were again 5.2p. The final dividend is 1.562p for a net total of 2.178p (1.95p).

The tax rate of 38 per cent or 52 per cent on a replacement cost basis was the highest effective rate the company had been subjected to in the past two decades, said Mr John Macphail, the chairman.

"So much for the lower taxation syndrome," he added.

Home sales of Famous Grouse rose 4 per cent against the industry's 3 per cent. Volume was maintained in Scotland, the growth coming from south of the border.

Mr Macphail said that was encouraging, particularly con-

sidering the growth of the

secondary and sub-nominal sectors

of the market, which has esti-

mated to have increased to 49

per cent of the market, com-

pared with 38 per cent four

years ago.

Operating profits were at similar

volume levels to last year with

both the US and Europe show-

ing increases, whereas Australia

and a few minor overseas

markets fell somewhat below

expectations.

Sales of new fillings were

much the same, although the

main filling markets continued

to be soft. Merchandise sales

showed an increase in volume.

Consequently upon an easing of

warehouse requirements in

recent years, a study was taken

to see whether the growing of

mushrooms in one of the ware-

houses was viable.

As a result it was decided

to go into the mushroom busi-

ness on a relatively modest

scale. It was expected that

initial supplies would be

available in late 1987.

The tax charge for the year

was £3.83m (£5.13m).

Expenditure on fixed assets in

the year totalled £1.78m (£1.25m).

● comment

In the Glen something's

stirring. In one place it's seen

that now wriggle their way

through an abandoned whisky

warehouse; at Highland

Distillers the board have fallen

victim to the magic power of

the carpet魔術。

The reason? A solid business with

£5m in the bank needs to

find a way of spending its money

because it can't afford to

market to drink much more

whisky. While volume sales

are almost static, Highland goes

on adding to its stockpile and

complaining more vociferously

than ever that the taxman takes

too much. The sentiment with

which any regulation inhibits

would readily agree. Opportunities

to diversify exist but have

to be based on more serious

business considerations than

the plague of foreign fungi

reaching Scottish tables. With

ownership locked up until

December 1989, behind a

"poison pill"

arrangement, it

is not surprising that

the analysts, who were a little dis-

appointed with the figures and

even more put out by the state-

ment, are looking to tighten

holdings. Forecasts have been

reduced half when

from the shelling of the CRG

unit. Despite the company's

having face "the

reality

division

is relieved of the

need for sizable further

capital expenditure"—the

loss of the CRG can only raise

doubts about the long term

growth prospects of the

taxi business. These doubts are

given further impetus by the

proposed entry of Metre

Cammell Weyman into the

taxi market. However, the

factory and powdered metals

division still shows strong

operational</

What Goldman Sachs brings to a British equities discussion.

Trading
U.K. equities
and ADRs.

Member of the
London
Stock Exchange.

Researching
the U.K.
economy.

Providing
research on
U.K. companies.

Sponsoring
the FT-Actuaries
World Indices.*

Handling
block and program
trading for U.K.
institutions.

Providing
specialised investment
services for
pension funds.

Big Bang is the sound of change. Not the least being the ways
British shares are bought and sold.

We have a long history of providing investors with high-quality sales, trading and research coverage. Through our new member firm on the London Stock Exchange, we look forward to offering more of our skills in London.

Indeed, we've already started. We're at home with the new dual capacity system because that's how we've operated for years. All of our skills, all under one roof, all working together to serve our clients.

We've been serving British business in London for nearly 20 years. Shouldn't we be discussing British equities with you?

*Jointly compiled by the Financial Times, Goldman, Sachs & Co. and Wood Mackenzie & Co. Ltd.
In conjunction with the Institute of Actuaries and the Faculty of Actuaries.

Goldman Sachs International Corp.
and Goldman Sachs
Equity Securities (U.K.), Limited
(Member of The Stock Exchange effective October 27, 1986)
5 Old Bailey, London EC4

Goldman
Sachs

London New York Tokyo Zurich Hong Kong

UK COMPANY NEWS

STERLING COMMERCIAL PAPER

Market Update

30
Publicised programmes to date

4
Sterling CP Options incorporated in other facilities

Leading Dealer/Arranger with 12 publicised programmes

COUNTY NATWEST CAPITAL MARKETS

The NatWest Investment Bank Group

Spice plc

Placing by
CAPEL-CURE MYERS
of
2,868,750 Ordinary shares of 5p each
at 80p per share

CLARKE HOOPER plc

Placing by
CAPEL-CURE MYERS
of
2,100,000 Ordinary shares of 5p each
at 130p per share

TVS
TELEVISION SOUTH plc

ACQUISITIONS
AND
PROPOSED RIGHTS ISSUE OF
9,962,043 NEW ORDINARY
NON-VOTING SHARES
OF 10p EACH AT 200p

Underwritten by
ANZ MERCHANT BANK LIMITED
Whitbread & Co Plc
Friends Provident Life Office
Brokers to the issue: Capel-Cure Myers

The BODY SHOP International PLC

INTRODUCTION TO THE OFFICIAL LIST
SHARE CAPITAL
Number Ordinary shares of 5p each £
12,500,000 Authorised 825,000
10,000,000 Issued allotted and fully paid 825,000

Brokers to the introduction: Capel-Cure Myers

DEBFOR HOLDINGS plc

Placing by
CAPEL-CURE MYERS
of
1,537,500 Ordinary shares of 10p each
at 130p per share

ACCORD
Accord Publications plc

Placing by
CAPEL-CURE MYERS
of
1,017,500 Ordinary shares of 5p each
at 125p per share

FDS
FLETCHER DENNIS SYSTEMS plc

Placing by
CAPEL-CURE MYERS
of
1,896,642 Ordinary Shares of 5p each
at 70p per share

NEWAGE
TRANSMISSIONS plc

Placing by
CAPEL-CURE MYERS
of
3,518,925 Ordinary shares of 5p each
at 75p per share

D.Y. Davies plc

Placing by
CAPEL-CURE MYERS
of
1,250,000 Ordinary shares of 5p each
at 155p per share

The Shield Group plc
THE SHIELD GROUP PLC

Placing by
CAPEL-CURE MYERS
of
1,200,000 Ordinary Shares of 5p each
at 72p per share

Miller and Sanhouse
MILLER AND SANHOUSE PLC

Placing by
CAPEL-CURE MYERS
of
1,428,572 Ordinary shares of 5p each
at 105p per share

Capel-Cure Myers record of financing developing companies speaks for itself

ANZ MERCHANT BANK LIMITED
Including CAPEL-CURE MYERS

65 Holborn Viaduct, London EC1A 2EU.
Telephone: 01-236 5080

Blacks Leisure rescue team planning expansion

BY MIKE SMITH

THE CONSORTIUM which this month agreed a firm rescue package to save Blacks Leisure from receivership is planning to expand the group.

Mr Bernard Garbae, who will become Blacks chairman under the rescue plan, said yesterday that he and the two other members of his consortium believed strong management could make the group extremely profitable and this would enable it to acquire more stores.

Mr Garbae outlined his confidence in a letter to shareholders in which the group also announced its intention to seek further "essential" finance through a rights issue.

In the document, Mr Mervyn

Frankel, who is stepping down as chairman, said the board believed the company's business was fundamentally sound and was capable of being substantially developed given an adequate capital base.

Yesterday, the Blacks share price rose 1p to 84p.

Two months ago Blacks, which sells camping and leisure equipment, unveiled a pre-tax loss of £1.6m in the year to March and said it had agreed to a £1.3m takeover by Sears, the retail group. The deal, however, fell through.

Mr Garbae's consortium has agreed to provide the firm of funding to Blacks by taking up 33.5m new ordinary 21p shares. This will give it 37.46 per cent

of the ordinary shares but, because of the voting rights of preference shareholders, only 34 per cent of votes.

Mr Garbae, 53, is a senior partner of accountants Landau Morley and was a member of the group of investors and managers which last year acquired furniture group Maples, Waring and Gillow. He will initially be Blacks' finance director as well as chairman.

His two partners in the consortium are Mr Alan Thornton, 39, the former managing director of Lotus Shoes who will become Blacks' managing director and chief executive, and Mr Leslie Lesser, 52, an accountant who will join the board as non-executive director.

Snowdon & Bridge distributes a wide range of food and non-food products to the catering trade, and has ancillary

Snowdon & Bridge growth continues

CONSIDERABLE progress has been made by Snowdon & Bridge, which serves the catering trade, and the directors said the company is in a strong position to continue the profitable

progress into next year and beyond.

Turnover in the half-year ended July 31 1986 rose from £10.5m to £11.1m, operating profit from £399,000 to £562,000, and the pre-tax balance from £885,000 to £575,000.

The company's shares were placed on the USM a year ago at 57p; yesterday they were up 2p to 120p. There is to be an interim dividend of 1p net and the directors forecast a final of not less than 2p. For the year ended January 31 1986 the payment was 1p from a pre-tax profit of £210,000.

Snowdon & Bridge distributes a wide range of food and non-food products to the catering trade, and has ancillary

Clayform Props. confident despite first half loss

Clayform Properties suffered a downturn into losses of £254,000 pre-tax in the first half of 1986 compared with a profit of £29,000. However, the directors said that interim results did not bear any relationship to the full year, especially this year as the second half would be boosted by the £56m acquisition of Samuel Properties.

The result was achieved on turnover of £5.87m (£4.89m) and the losses per 5p share came out at 2.3p, against earnings last time of 0.1p. An interim dividend of 2.5p (nil) is being paid with a forecast of a final of 5p. Last time there was a single final payment of 5p, from profits of £2.5m.

The directors added that as usual profits were dependent on the timing of completion of developments. With a high level of activity at the moment they expected a most pleasing outcome for the year.

Since the end of the period figures do not include any contribution from Samuel Properties, the offer for which became unconditional in July and which doubled Clayform's issued share capital.



After Big Bang which face will your stockbroker show you?

Will it be the face that's offering a genuine opinion—or the one that's thinking of its own book position?

That's why Sheppards have taken a positive decision to remain a non-market maker, and to continue to put our clients first.

We want our clients to be able to trust the impartiality of our advice. We want our best people always to be available to them. And we want them to retain the anonymity that dealing through an agency broker guarantees.

Which points to one very reassuring conclusion, amid the turmoil of Big Bang.

With Sheppards, you know who you're dealing with.

Sheppards

No. 1 London Bridge, London SE1 9QJ. Telephone: 01-378 7000. Telex: 888282. Fax: 01-378 7585.

A Member of The Stock Exchange. BAAI

US\$250,000,000
SECURITY PACIFIC
CORPORATION
Floating Rate Subordinated
Capital Notes due 1997

Noteholders are advised that for the interest period from August 21, 1986 to November 20, 1986 inclusive, the sum of US\$157.60 will be payable on the interest payment date, November 21, 1986, per US\$10,000 Principal Amount of Notes.

The Chase Manhattan Bank, N.A.
London, Agent Bank

I.G. INDEX
FT for November 1, 1986 (-15)
Tel: 01-822 5889

BROWN GOLDIE & CO. LIMITED

Development Capital for
Private Companies

Management Buy-Outs

Write or telephone: Ian Hislop or Cameron Brown,
Brown Goldie & Co. Limited, 16 St. Helen's Place,
London EC3A 6BY. Telephone: 01-638 2575.
A member of the National Association of Security Dealers and Investment Managers

LONDON RECENT ISSUES

EQUITIES

Last Price Paid up	Last Date	2006			Stock	Closing Price	+ or - Net Val.	Share Value/ P.E.	Yield
		High	Low	Open					
1222	F.P.	—	122	122	Berry & Noble 10p	122	+2	49	13.0
1223	F.P.	—	122	122	Big Chipper 10p	122	+2	35	14.0
1224	F.P.	—	122	122	Big Creation 10p	122	+2	35	14.0
1225	F.P.	—	122	122	Big Creation Prods 10p	122	+2	35	14.0
1226	F.P.	—	122	122	Big Comms 10p	122	+2	35	14.0
1227	F.P.	—	122	122	Big Great Southern 10p	122	+2	35	14.0
1228	F.P.	—	122	122	Big Growth Developments 10p	122	+2	35	14.0
1229	F.P.	—	122	122	Big Industrial Express 10p	122	+2	35	14.0
1230	F.P.	—	122	122	Big Market 10p	122	+2	35	14.0
1231	F.P.	—	122	122	Big Merlin's Tech 10p	122	+2	35	14.0
1232	F.P.	—	122	122	Big Miller & Smulders 10p	122	+2	35	14.0
1233	F.P.	—	122	122	New Australia Inv Warrs 10p	122	+2	35	14.0
1234	F.P.	—	122	122	Big Offshore Trans 10p	122	+2	35	14.0
1235	F.P.	—	122	122	Big Offshore Group 10p	122	+2	35	14.0
1236	F.P.	—	122	122	Big Offshore Ind 10p	122	+2	35	14.0
1237	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1238	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1239	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1240	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1241	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1242	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1243	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1244	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1245	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1246	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1247	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1248	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1249	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1250	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1251	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1252	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1253	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1254	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1255	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1256	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1257	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1258	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1259	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1260	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1261	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1262	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1263	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1264	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1265	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1266	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1267	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1268	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1269	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1270	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1271	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1272	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1273	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1274	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1275	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1276	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1277	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1278	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1279	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1280	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1281	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1282	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1283	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1284	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1285	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1286	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1287	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1288	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1289	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1290	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1291	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1292	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1293	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1294	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1295	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1296	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1297	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1298	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1299	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1300	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1301	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1302	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1303	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1304	F.P.	—	122	122	Big Offshore Inv 10p	122	+2	35	14.0
1305	F.P.	—	122	122	Big Offshore Inv 10p	122	+2		

AUTHORISED UNIT TRUSTS & INSURANCES

INSURANCE, OVERSEAS & MONEY FUNDS

INSURANCE, OVE

EAS & MONEY FUNDS						
EEA Standard Investment Manager Ltd SA						
Jersey, PO Box 63		Tele 4192274 Tel 0354 76029				
P.O. Box 26222		Telex 912250 Tel 0151 224051				
CIFCO Int'l Saevel		1,205				
Crossflow (P) Ltd		SF-12,23				
CSF (Int'l) Man		SF-27,28				
Eurostar Fund Management Fd		11,54				
Flame Fund		1,25				
Growth Fund (Global Fund)		2,007				
ITF Fd (Technology)		11,37				
Invest Fd (Asia)		10,79				
UK Growth (U.K.) Fund		13,50				
Total Fund		3,772				
US Managed Fd		11,69				
Sharing Managed Fd		10,28				
Sterling Money Fund		10,73				
UK Money Fund		20,78				
Sterling		15,00				
US Dollar		20,44				
Deutschmark		40,19				
Japanese Yen		10,00				
Swiss Franc		30,72				
Retailers Fund Manager (Guernsey)		List				
PO Box 61, Bermuda Ave, St. Julian's, Guernsey		St. Peter Port, Guernsey				
Multi-Balanced Fund		0411 24245				
Multi-Balanced Sterling		105,3				
Multi-Balanced Dollar		611,98				
Sterling Deposit		103,2				
Dollar Deposit		510,00				
Sarf Fund		DM05,77				
Sarf - US		DM05,77				
J. Yer Deposit		15,076				
Holdings Fund Manager (Jersey) Ltd		List				
2024-198 St. Helier, Jersey		0354 72156				
Holdings Fund Manager (Ireland)		List				
Ireland A & B		178,7				
Growth IC & B		172,3				
I.E. Trust Managers Ltd		10 St Georges St., Douglas, Isle of Man, Douglas, Isle of Man				
ISF Management Services Inc		0644 25015				
ISF Registrar, PO Box 1044, Cayman Is., BWI		ISF				
The India Fund		ISL 31				
India Trust of India (Portfolio Manager)		0411 26000				
Mr. Merrill Lynch, 119 Cannon St., EC4		01-56209913				
INDIA FUND		INDIA 10,63 (11/10/03 for information only)				
INV Investors						
PO Box 55640, The Hague, Holland		070 0155,30				
International Bond Trust		2 Boulevard Royal, Luxembourg				
2 Boulevard Royal, Luxembourg		CIC & A NAV Oct 20				
International Speciality Fund		CIC & A NAV Oct 17				
10a, Boulevard Royal, Luxembourg		CIC & A NAV Oct 17				
Investissements Atlantiques SA		List				
14 Rue Adolphe, Luxembourg		NAV Oct 26				
ISI Fund		ISI 53				
Investec Investment Management		25a Broad St., St. Helier, Jersey, CI				
ISI Growth Fund		ISI 54				
ISI Income Fund		ISI 75				
ISI & Pensions Fund		ISI 40				
Jardine Fleming & Co. Ltd.						
6th Floor, Connaught Centre, Hong Kong		JF American				
JF Asian Fund		JF 62				
JF ASEAN Fund		JF 67				
JF Asian Trust Fund		JF 75				
JF Central Europe Fund		JF 79				
JF Corporate Bond Fund		JF 83				
JF Eastern Euro Fund		JF 87				
JF Hong Kong Fund		JF 92				
JF International Fund		JF 112				
JF Japan Fund		JF 115				
JF Japan Technology Fund		JF 120				
JF Latin America Fund		JF 125				
JF Pacific Basin Fund		JF 134				
JF Pacific Sector Fund		JF 145				
JF Pacific West Coast Fund		JF 154				
JF Property Fund		JF 160				
JF Strategic Fund		JF 165				
JF Total Fund		JF 170				
Kleinwort Benson Group						
20 Fenchurch St, London EC3		Kleinwort Benson Fund				
Kleinwort Benson Fund for Index Funds		SF-1,26				
KLJ Fund		SF-1,04				
Kleinwort Benson Fund		SF-1,02				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				
Kleinwort Benson Fund		SF-1,27				

OFFSHORE AND OVERSEAS

Pens. For Existing Acc.	75.0	
U.S. Acc.	69.5	
U.S. Dollar Acc.	69.5	
Pens. Yrs Acc.	140.6	
Pens. Extra. Carr. Acc.	133.9	0.0
Pens. Extra. Acc.	132.2	0.0
Swiss Life Pensions Ltd		
99-101 London Rd, Stevenage		
Equity	£227.45	244.95
Fixed Int.	£146.45	244.95
Index Linked	£133.67	114.25
Property	£177.25	128.75
UK Equity Fund	£125.25	128.75
Mixed	£124.32	226.00
International	£195.50	291.25
Next 10th day October 22		
TSB Life Ltd		
P.O Box 3, Kneen Hse, Andover SP10 1PC		
Managed Fund	£42.7	101.5
Property Fund	£41.5	101.5
Fixed Int. Fund	£39.9	101.5
Money Fund	£17.3	101.5
Small Business Fund	£47.5	101.5
TSB Pensions Ltd		
Managed Pension	£79.6	101.5
Deposit Pension	£13.0	101.5
Target Life Assurance Co. Ltd.		
Target House, Chalcroft Road, Alverton, Bucks		
Alverton	08236 3942	
Managed	£62.0	102.5
Property	£44.3	271.5
Fund Int.	£64.1	102.5
UK Equity	£62.1	472.5
Int. Equity	£56.6	102.5
Corporate Bonds	£65.2	102.5
Managed Property	£12.1	102.5
Agricultural Estate	£12.1	102.5
Technology	£7.9	102.5
Workforce Income	£47.5	102.5
Pacific	£77.5	102.5
Japan	£2.3	102.5
Chemistry	£9.5	102.5
Gold	£27.6	102.5
Financial	£61.2	102.5
Income	£22.0	102.5
Small Business	£31.0	102.5
Preference	£31.6	102.5
Managed Currency	£45.5	102.5
European Spec. Scls	£197.5	102.5
Sterling	£0.0	102.5
Reserve Property	£4.0	102.5
Reserve Fund	£12.0	102.5
Managed Pension	£125.1	102.5
Gvt Pct.	£21.0	102.5
Property Pct.	£42.2	102.5
Equity Pct.	£61.0	102.5
Index. Pct.	£14.8	102.5
Govt Pct.	£22.0	102.5
Locality Retained	£42.2	102.5
Prices quoted are for Accumulation units		
Teachers' Assurance Company Ltd		
12 Churchill Rd, Bognor Regis, SW14		
Managed Fund	£144.4	117.5
Gvt & Fixed Int. Pct.	£204.5	117.5
Cash Fund	£77.4	117.5
Transatlantic Life Assurance Co Ltd		
8 New Rd, Cheshunt, Herts		
Midway 01279 28288		
Trident Life Assurance Co Ltd		
London Road, Elstree		
Managed	£602.5	101.5
Gvt. Mgt.	£26.4	101.5
Property	£90.8	101.5
Agricultural Estate	£12.1	101.5
UK Equity Fund	£124.5	101.5
Multi. Yield	£64.5	101.5
Gvt. Edged	£21.1	101.5
Money	£24.5	101.5
International	£257.5	201.5
Fiscal Corp.	£27.4	101.5
Growth Corp.	£25.5	101.5
Small Bus. Acc.	£35.5	101.5
Prop. Equity Acc.	£33.1	101.5
Prop. Mgmt.	£24.5	101.5
Prop. Edged	£27.4	101.5
Prop. Day	£27.4	101.5
Prop. Pct.	£27.4	101.5
Prop. Multi. Fund	£149.8	101.5
Wholesale Fund	£132.5	101.5
Tf Inv. Fund	£22.2	101.5
Investment Author.	£177.4	104.5
Perpetual Action	£151.9	104.5
Prop. Inv. Fund	£12.5	104.5
Prop. Inv. Fund	£12.5	104.5
174a Queen Victoria St, EC4V 5AF		
Frost-Sned	0807	
Local Property Dev.	0801	
Managed Bond	0802	
Managed Pension	0804	
Sharp (Albert E.) & Co		
12 Market Street, Brixton, SW12 3ER		
Non-Serial Med.	0805	120.4
Prop. Mar. Pct.	0804	120.4
Townley Law & Co		
57 High St, Winslow, SL8 1LX		
Charter & Mortg.	0806	100.4
Local Prop. Inv.	0805	100.4
MAC Ass (LTD)	0874	120.0
M & G Ass (LTD)	082.5	120.0
Northwick Life Ass. Ltd.	081.5	120.0
Royal Life (Glastonbury)	081.5	120.0
Saint Egg Life Ass.	084.5	120.0
St. Paul's Ass (LTD)	084.5	120.0
Windsor Life Ass.	084.5	120.0
J. D. Ward & Co Ltd		
28 Llancair Inn Fields, WC2A 3LX, GL		
Target Direct Bookings	0814	120.0
Allied Direct Bookings	0824	120.0
Allied Direct Pensions	084.5	120.0
Allied Major Pensions	084.5	120.0
OFFSHORE AND OVERSEAS		
Authentic Investment Fund SA		
28 Rue Notre Dame, Luxembourg		
Authorised by:	08046	
Adviser Investments		
Postwich Rd, 20000 Madrid 1		
Adviser	0805 221.5	
Funds	0802 72.5	
Funds	0804 30.5	60.00
Allianz Fund Management Limited		
P.O. Box 73, St Helier, Jersey		
Allianz F.L. (CD) 30314/42 30327/42		
New dealing Oct 17		
Alexander House (Barbados) Ltd		
P.O.B. 21279, Hamilton, Barbados		
Systematic Fund	SLA62	
Alliance Capital Management Inc		
43 Upper Grosvenor St, London, W1		
Health Care	081.50	121.5
Health Care	081.59	121.5
Hgt Dividend	081.40	121.5
Hgt Yield Fund	081.62	121.5
International	08042	122.0
Int. Tech.	081.45	122.0
Sociale	081.70	122.0
Sociale	081.52	122.0
Technology	081.01	121.5
Alliance International Health Services	08046	
Distribution Dist 01-22, 00000914 4433900		
Allied Danuber International Finance		
Allied Irish Fund Managers (CI)		
Ziggle Hse, 2nd Flr, 24 Market, Jersey		
Managing Currency Fund	01203 341	
Managing Fund Pct.	01203	
Allied Investors Securities (CI) Ltd		
P.O. Box 428, St Helier, Jersey		
Bonds	081.57	121.5
Govt. Stocks	081.57	121.5
Yield Fund Oct 15	081.57	200.0
Short Term Fund Oct 15	081.57	200.0
Japan Growth Fund 16.0	081.20	121.5
Short dealing October 22, 100.00		
Asset Global Funds Ltd		
Athenaeus Hse, Mea St, Douglas, Isle of Man		
UK Gvt.	07.77	10.00
UK Equity	07.68	10.00
US Bond	07.62	10.00
BAII Multicurrency (SICAV)		
24, St Regis, Luxembourg		
NL Diners	SL12542	

Grandury 213, 6000 Frankfurt Innstrasse 10	069-713	70.50	-0.25
Bosch Investment Trust Co Ltd 44-5, Yeoksam-dong, Yongsan-gu, Seoul, Korea			
Korea Trust NAV Oct 22 2001 Nov 2001 (KRW) 333 Gard Trust NAV Oct 22 Nov 2001 (KRW) 333			
BankTrust Management (Germany) Ltd PO Box 93, St Peter Port, Guernsey	0493 712182		
BankTrust Limited	0642-6127	67.2	
Besse Witter World Wide Investment Trust SA 24 Rue Albrecht, Luxembourg			
NAV	\$12.40	1	-0.01
Bolby Group PO Box 3032, Hanover, Germany			
Bolby Sitz Oct 24 NAV 100.00	100.15	+0.05	
Bolby Sitz Oct 24 NAV 100.00	100.00	-0.00	
London Agents: Kleinwort Benson	Tel: 01-423 8000		
Bonhag Investment Trust Makler Leipzigstrasse 11-13, 6000 Frankfurt Germany	100.00	57.40	-5.43
Int. Investors	100.77-03	73.00	+0.02
Broad北宋 Lambeth 77 London Wall, London, EC2			
Factory Group Limited	01-920 9996		
Wheeler-Deweese Limited	NAV Oct 17 53.00		
Wheeler-Fischer Limited	NAV August 29 51.00		
Wheeler-Foster Limited	NAV October 29 51.00		
Wheeler-Harvey Limited	NAV October 29 51.00		
Wheeler-Lambeth Limited	NAV October 29 51.00		
Worldwide Special Fund NAV Oct. 17 52.00			
Worldwide Securities Limited NAV Oct. 17 52.25			
Bridges International Inc. Plc PO Box 63712, Hanover, Germany			
NAV Oct 14 100.00	104.91		
Brunton Lawrie Inv. Mgt. Ltd Victory House, St Peter Port, Guernsey	0493 28034		
DL Investments	102.2	52.0	
DL Investments	102.73	53.00	+2.00
Bermuda Debt Trust Migrs (Bermuda) Ltd Bank of Bermuda Building, Bermuda	809 255 4000		
America Trust	101.45	50.51	
Brent & Hargrave Group 6 Ave Lloyd George, 2050 Brussels	02/64-9328		
Country Fund	100.00		
Currency & Gold Fund	102.00		
Trans World Fund	109.07		
World Life Fund	108.05		
BTC Trust Company (Jersey) Ltd 1-3 St Helier, Jersey	0534 74331		
International Income Fund			
USS Div Share A	\$2.5072		
Div. B	1.0000		
Corpor. Div. Share B	1.0000		
Div. D	1.0000		
Serial Long Term	102.00	24.00	
European Banking Special Currency Fund			
Income Fund	101.14	24.00	
Capital Fund	101.45	24.00	
*Offer price includes 3% prima charge			
European Banking Currency Income Fund			
Income Fund	101.14	24.00	
*Offer price includes 3% prima charge			
The English Trust Group 16 Abbot St, Douglas, Isle of Man	0642 20738		
E.T. Fax East	101.45	1.00	
Next closing Sunday 24			
Equitalis International Mgmt Ltd P.O. Box 264, St Helier, Jersey, C.I.	0534 71046		
Fax: 01481 74843			
Equity & Law International Fund Mgt Ltd Victory House, Prospect Hill, Douglas, Isle of Man	0642 77577		
European Equity	104.3	154.50	+0.7
Far Eastern Equity	101.27	102.00	+0.00
International Equity	100.00	100.00	+0.00
UK Equity	100.97	100.00	-0.97
UK Gilt & Fixed Int.	100.1	100.00	-0.1
Dow Jones Composite Bonds	100.00	99.00	+0.00
Dollar Deposit	100.93	100.00	-0.93
Sterling Deposit	100.03	100.00	+0.03
Yen Deposit	104.91	104.00	+0.91
Managed Currency	101.0	107.00	+6.0
Equity & Law International Life Assur Co Ltd Victory House, Prospect Hill, Douglas, Isle of Man	0642 77897		
European Equity	101.71	102.00	+0.29

SS Management	021 17	25/05/09	-0.0294	12.1		
String Managed	0135 2015 13/04/09	10/05/09	15.87			
Sterling Metals Corp plc Metal Fins						
5 Burlington Quay, London W1X 1LE	01-734 6102					
Sterling Metals F Pd	0202 76	213.69				
Sterling Metals F Pd	027.27	134.07				
Stronghold Int'l Marq Ltd						
46 Astor Street, Dundee, UK	0824 20845					
Stronghold Am Cen Fund	55.87		+4.93			
Stronghold Int'l Marq Ltd Non trading class: Nov 11.						
Stronghold Management Limited						
7 Ulster Place, St Helier, Jersey	0824 70152					
Connexity Trust	47.18					
TSB Trust Funds (GT)						
26 Hill St, St Helier, Jersey (CI)	0824 73494					
TSB Gf Fund	97.0	101.00				
TSB Gf Fund	97.0	100.00				
TSB Inv Equity Fd(4-11)	34.8	36.7				
TSB Inv Equity Fd(4-16)	34.8	36.7				
TSB Current Fund	100.8	105.70				
Prices as Oct 15. Next update date Oct 22.						
Taipei Fund						
C/o P. S. Sess. Down, d'Beur & Durett Ltd,						
9 Devonshire Road, London EC2M 4HP	01-625 2010					
NAV RT 3593.34/Unit, Date 02/03/09 (Ex 20)						
Talwin (RDC) Fund						
c/o Victoria de Costa Ltd, King William St, London EC4						
01-623 2494	NAV 3591.10R value 03/03/10, 30.19.					
Target International Management Ltd						
Po Box 394, St Helier, Jersey	0824-72985					
Target MCP	130.00	131.25		1.25		
Po Box 443, St Helier, Jersey	0824 75261					
Invest Growth Fund	130.58	112.05				
Target Investment Management Limited						
Target Inv. Gtchouse Rd, Athelstan St, Ex1	0824 5943					
London E14 5ED						
Thornton Management Ltd.						
16 Finsbury Circus, London EC2M 7UJ	01-629 1111					
America Fund	500.00	499.00		-0.99		
America Fund	514.05	525.00		+10.95		
Consolidated Fund	7.43	7.1125				
NK & China Growth Fund	510.00	545.00		+35.00		
Orion Inv Fund	515.63	563.00		+117.37		
Philippines Retired Fund	57.59	58.00		+0.41		
Pacific Technology Fund	10.20	10.77		+0.57		
Precious Metal Fund	513.35	522.00		+8.65		
Type A Reserve Fund						
US Dollar	\$10.00					
UK Dollar	145.00/100.00					
Yen	Y100/100.00					
Swiss Franc	SF100/100.00					
French Franc	FF100/100.00					
Doll	DA100/10.00					
Australian Dollar	A\$10/10.00					
Tokyo Pacific Holdings NV						
Intrinsic Management Co NV, Curacao						
NAV per share \$176.24						
Tokyo Pacific Holdings (Seaboard) NV						
Intrinsic Management Co NV, Curacao						
NAV per share \$12,60						
Top Brand Fund International Manager	Po Box 101, St Helier, Jersey	0824 74715				
Top Brand Fund NAV	\$12.07					
Inv Adm Mortuary Worthing Inv, Worthing, London						
Typical Generation Managers (Jersey) Ltd						
2 New St, St Helier, Jersey	0824 373333					
TOPS1						
America	500.7	520.00		+19.30		
Far Eastern	257.1	249.00		-8.10		
Global Fund	520.8	525.00		+4.20		
Portfolio Inv - Managed	516.0	500.00		-16.00		
Portfolio Inv - America	520.0	515.00		-5.00		
Portfolio Inv - Far East	501.5	512.50		+11.00		
Portfolio Inv - Europe	500.0	500.00				
Port Inv - Accts (Int'l)	541.4	520.00		-21.40		
Gf Inv Fd	515.8	518.00		+2.20		
(Accts, shares)	527.7	510.00		-17.70		
Kingston Inv - Managed	500.7	504.00		+14.30		
H.L.G. Inv & Building	511.7	514.00		+2.30		
(Accts, shares)	511.5	517.00		+5.50		
Typical International Assurance Ltd						
Albert House, St Peter Port, Guernsey	0481 27064					
International Equity	507.5	505.00		-2.50		
Div. 5	500.00	500.00				
Port Equity	527.0	510.00		-17.00		
Div. 5	527.0	510.00		-17.00		
North Amer. Equity	511.5	517.00		+5.50		
Div. 5	511.5	517.00		+5.50		
U.S. Management						
37-39 Union St, London EC3P 1EP	020 7000 0000					
High Intl. Clean Acc.	11.00					
Bank of Scotland						
3 Threadneedle St, EC2P 2EH						
Money Mkt Cheque Acc.	10.50					
Barclays Private Account						
Po Box 125, Northampton						
High Int. Cheque	10.50					
Benchmark Trust Ltd						
9 Henrietta Place, W1N 9AC						
Cash Cntr Deposit Acc.	10.25					
Chatterhouse Bank Limited						
1 Peterborough Row, EC4M 7DH						
Starling	10.50					
EU Dollars	10.75					
EU Euro	10.50					
Euro Francs	1.00					
Japanese Yen	4.00					
Chitkara Savings						
St Martins Hwy, Northwicks Green						
Montgomery Place						
Top rate	7.00					
For other rates please phone our helpline 0800 000 0000						
Co-operative Bank Cheque & Saving						
78-80 Cowgate, Edinburgh EH2 4EG						
£10.00 Cashback	10.00					
£25.00 +	10.50					
Darlington & Co Ltd						
Darlington, Teeside, TS9 0JE	01-625 2222					
Money Mkt Acc.	10.25					
Headcorn Bank of Scotland						
38 Threadneedle St EC2P 2EH						
Money Mkt. Cheque Acc.	10.5					
Legal & General (Mersey) Ltd						
365 Weston Road, NW1 3AG						
High Int. Dep Acc.	10.70					
Lloyds Bank PLC						
71 Lombard St, London EC3P 3BS	02-625 15					
High Int. Cheque Acc.	10.50					
Luton North Central PLC						
17 Brutes St, W1A 3DN						
24-Hr Notice	10.00					
M & G Kleinwort Benson						
M & G Hse, Victoria Rd, Chelmsford CM2 2AE	01-264 26					
H.L.C. (25-200)	10.37					
Mitland Bank plc						
Po Box 2, St. Machen						
High Int. Dep Acc.	10.47					
£10,000 +	10.50					
M.J.M. Britannia Ltd						
74-78 Finsbury Pavement, EC2A 1LJ	01-588 22					
City Alex	10.15					
NatWest Special Reserve Account						
42 Lombard, London, EC2P 2BP	01-259 9923					
£2,000 to £5,999	10.25					
£10,000 and above	10.35					
Oppenheimer Money Mgmt Ltd						
66 Cannon St, EC4N 6AE						
Money Mgt. Acc.	10.35					
Phillips & Drew Trust Ltd						
120 Worcester, London EC2M 6XP						
High Int. Civ Acc.	10.425					
Provincial Trust						
50 Ashlyns Rd, Alfreton, Derbyshire DE5 1LH	01-928 901					
High Int. Civ Acc.	11.00					
Royal Bank of Scotland plc						
52 St Andrew Sq, Edinburgh EH2 2YE						
Provision Account	10.37					
Savills & Partners/Robert Fleming						
28 Western Rd, Mansfield NG10 3LS	0708 6469					
H.L.J.L.	10.03					
Tynwald & Co						
25-33 Princess Victoria St, Bristol	0272 7222					
Direct Acc.	10.76					
Money Acc.	10.03					
J. Henry Schroder Wagstaff & Co Ltd						
Enterprise House, Portland St, Liverpool L1 9AP	0715 2777					
Small Business	10.75					
Over £10,000	10.00					
Western Trust & Savings Limited						
The Monastery, Plymouth PL1 1SE	0752 22041					
High Int. Civ Acc.	11.19					
Wimblsden & South West Finance Co Ltd						
114 Newgate St, London EC1A 7AE	01-504 661					

TRADITIONAL OPTIONS

SEVEN STAR INVESTMENT, NEW YORK	222 912 5701	OCDF U.S.	11.47
100 BROAD ST, NEW YORK, NY 10005	100 BROAD ST, NEW YORK, NY 10005	OCDF Tel.	11.47
100 BROAD ST, NEW YORK, NY 10005	100 BROAD ST, NEW YORK, NY 10005	OCDF Mar.	11.47
Daily Options			
Bethesdah Australia Asset Mgmt			
17 Bridge St, Sydney 2000, Australia			
Fir Arrow Ass't. Ext. 5222			
Royal Bank of Canada Funds			
RBC Offshore Fund Managers Ltd			
RBC Bn 245, St Peter Port, Guernsey			
Int'l Income Fd	12.39		13.19
Int'l Capital Fd	12.35		13.15
America Fund Fd	12.35		13.15
For East & Pacific Fd	20.95		22.65
Canada Fd	12.39		13.49
RBC Int'l Commodity Fd Ltd			
USS		27.11	
Canadian S		14.22	
S. Amer.		14.22	
U.S. Fund		14.22	
Swiss Francs		44.61	
Japanese Yen		72.16	
Managed Fund		32.86	
Royal ILS Inst. Ltd			
Bridge Hse, Caxtonova, Irel			
Lanning Ind. Fd	C1.587		1.94
Funds Growth (Bonds)		SL1.79	
Royal Life Need Fd	SL1.956		1.62
Royal Life Fund Fd	SL1.952		1.62
Royal Life Fund Fd	SL1.952		1.62
Royal Life Amer Fd	SL1.085		1.08
Royal Life Euro Fd	SL1.078		1.08
Royal Life Far East Fd	SL1.210		1.20
SLF CMF	SL1.426		1.42
Voice & Co Int'l Port	SL1.302		1.30
YATC Growth Fd	SL1.073		1.07
Royal Trust International Fd			
PO Box 194, St Helier, Jersey			
Sterling Fund Fd	SL1.860		0.962
International Secs	SL1.879		1.071
International Bond	SL1.048		0.962
Prices as of October 15. Next: daily G			
SCI/TECH SA			
2 Boulevard Royal, Luxembourg			
Sci/Tech NAV	\$15.25		
Safex Futures Fund Ltd			
c/o 125 Cannon St, London EC4			
NAV Oct. 20	\$15.37		
Save & Prosper International			
PO Box 73, St Helier, Jersey			
Trust Internat'l Funds			
Dovercourt Rd.	SL1.0132		11.97
Dir. Fd. Ind.	SL1.04		9.10
SL Fund	SL1.05		22.81
Yield Fund	SL2.001		21.01
Global Funds			
Global Portfolio Fds	SL1.17		7.76
Global Portfolio Fds	SL1.12		5.93
UK Growth	SL1.07		22.71
Interest G.	SL1.29		34.75
Far Eastern	SL1.06		11.00
North America	SL1.18		22.07
Gold	SL1.39		12.28
Japan	SL1.43		11.17
SLB Managed Fund	SL1.47		5.79
US S		1.00	
SL Marks		10.00	
SL Sterling		1.00	
Yen		100.00	
Repatri. Fund			
Sterling Deposit	SL28.5		228.71
Daily prices ending 11.10.94			
Scandinavian Stk Fd Migrs L2d			
PO Box 1984, Grand Cayman, BWI			
SLT Int'l Inv Fd Ltd	SL1.53		1.51
SLT Equity Fd	SL1.53		1.51

COMMODITIES AND AGRICULTURE

Bitterness over rubber debacle

BY WILLIAM DULFORCE IN GENEVA

THE PRODUCERS were bitter, the conference chairman voiced his frustration, and even some of the consumers seemed to be disconcerted at what they had done after the collapse of the rubber talks in Geneva last week.

A third attempt by the exporting and importing nations to negotiate a new price-stabilising accord for natural rubber had begun so promisingly on October 6, when the producers dropped their demand for a \$1 per cent price increase.

Now the outcome of the talks seems to leave the rubber market in limbo for some time to come and has raised doubts yet again over the whole concept of price-stabilising commodity agreements, and over the so-called Integrated Programme for Commodities.

The IPC, run under the auspices of the UN Conference on Trade and Development, registered an unexpected success in July 1985 with the renewal of the International Cocoa Agreement.

This appeared to reverse the worldwide disenchantment that had set in last October with the spectacular and expensive breakdown of the tin agreement. But the failure over rubber suggests that the tin neurosis persists deep in the psyche of consumer governments.

After the breakdown of talks in Sarawak's small town, Mr Ahmad Farouk, controller of the Malaysian Rubber Development Board and spokesman for the producers, expressed doubt whether some consumer governments had ever really wanted to extend the International Natural Rubber Agreement (Inra) beyond its expiry date next October.

Evidence supporting his view-point is not difficult to find, although it may be more accurate to say that governments — the British, West Germans and Dutch, for instance — were prepared to renew the Inra only under conditions which left little scope for compromise.

When the producers agreed at the start of the latest round of negotiations to an unchanged reference price of 201.66

Malaysian cents a kilo, the Malaysian Minister of Primary Industries, yesterday expressed cautious optimism that a new International Natural Rubber Agreement could still be worked out despite the collapse of the rubber talks in Geneva last week.

He said producers would hold informal consultations with consumers to break the impasse, and he would be taking up the matter with his Indonesian and Thai counterparts next week when he goes to Sarawak for the ministerial meeting of the Association of Tin Producing Countries.

Speaking at the annual

Rubber Growers Conference in Ipoh City, 150 miles north of Kuala Lumpur, Dr Lim said that in view of the current favourable rubber prices, producing countries were adopting a more relaxed attitude towards the collapse of the Geneva talks.

The biggest threat to producers in the event of a break-up of the rubber agreement is the disposal of the stocks held by the International Rubber Council manager, which would depress prices.

On the Kuala Lumpur Commodity Exchange yesterday, RSS one rubber was traded unchanged at 222 Malaysian cents a kilo.

Malaysian-Singapore cents a kilo were the new agreement, a major obstacle to a new Inra.

Producers' opposition to this idea was fierce, because they regard the indicative price as a guarantee, establishing a floor that assures rubber growers a return and encourages replanting. They do not see it as a level moving with market trends.

This goes to the heart of the matter. For producers a commodity agreement should provide a price at a level assuming them of adequate remuneration for consumers, especially after the collapse of the tin agreement. Its principal role is to temper excessive price fluctuations round the market trend.

"The purpose of a commodity agreement cannot be just to allow individual producing countries to maximise export earnings," a West German official said. "After all, we have to look carefully at the economic implications of any agreement."

Prospects for a new rubber agreement are now very dim, although neither side has yet slammed the door shut. Time is running out, considering the cumbersome drafting and ratification process that has to be completed by next October.

Malaysia refused to approve at the rubber conference's final

points of contention.

There was also a suggestion from the US that, when the buffer stock grew to 450,000 tonnes, adjustment should be made not only to the reference

at the rubber conference's final

points of compromise.

When the producers agreed at the start of the latest round of negotiations to an unchanged reference price of 201.66

Other demands for greater flexibility were tabled by the consumers but the 5 per cent automatic adjustment was the sticking point for the producers.

One West German official said: "After all, we have to look carefully at the economic implications of any agreement."

Prospects for a new rubber

agreement are now very dim,

although neither side has yet

slammed the door shut. Time is

running out, considering the

cumbersome drafting and ratification process that has to be

completed by next October.

Malaysia refused to approve

at the rubber conference's final

points of compromise.

There was also a suggestion

from the US that, when the

buffer stock grew to 450,000

tonnes, adjustment should be

made not only to the reference

at the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

to make a move towards

the rubber conference's final

points of compromise.

The companies have sought

CURRENCIES, MONEY & CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound improve

THE DOLLAR gained ground in quiet trading on the foreign exchanges yesterday. It opened little changed from Friday's close, reflecting reluctance to trade ahead of this week's third-quarter US gross national product announcement. The figure has been postponed from today until tomorrow, because of a temporary shut down of US Government offices, after the delay in Congress passing a Federal Spending Bill. Rumours about the figure are fairly widespread, but the dollar was boosted by suggestions that growth could be as high as 4 per cent in the third quarter, compared with general estimates of 2 to 3 per cent. Comments made in London by Mr Karl Otto Poehl, president of the West German Bundesbank, Mr Robin Leigh-Pemberton, Governor of the Bank of England, was also present amid growing speculation that Mr Poehl would put pressure on Britain to join the European Monetary System. But news from the meeting was neutral, and the talk was described as general, without concentrating on any specific subject.

The pound shed 10 points to 1.6880, from SF 2.325 to SF 2.3225 from SF 2.32, to FFr 9.31 from SF 9.2975, and to Yen 154.75 from Yen 154.50.

On Bank of England figures the dollar's index rose to 104.4 from 103.4.

STERLING—Trading range against the dollar in 1986 is 2.4718 to 2.5025, September average 2.4824, 1985 2.4824.

The D-mark weakened against the dollar after Mr Karl Otto Poehl, president of the West German Bundesbank, told a German

Chamber of Industry and Commerce conference in London that a further decline in the value of the US currency would be nobody's interest. He said it would threaten economic growth in Europe and increase inflationary pressures in the US. Trading was quiet and uneventful and Mr Poehl spoke, and was also restricted by his meeting with Mrs Thatcher and Mr Leigh-Pemberton, at which he was expected to urge full British membership of the EMS. At the Frankfurt fixing the Bundesbank did not intervene when the dollar rose to DM 1.9788 from DM 1.9734. At the Frankfurt close the dollar had advanced to DM 1.9880, from DM 1.9750 on Friday.

YEN—Trading range against the dollar in 1986 is 122.78 to 135.25. September average 131.67. Exchange rate index 214.7 against 136.7 six months ago.

The yen showed little change against the dollar, with the US currency closing in Tokyo at Yen 134.30, the day's low, compared with Yen 134.50 on Friday. The D-mark weakened against the dollar after Mr Karl Otto Poehl, president of the West German Bundesbank, told a German

newspaper.

view about the direction of the dollar until publication of third quarter US GNP data later this week.

Sterling held steady against the dollar at around \$1.63 for most of

the day, and gained ground in terms of Continental currencies. Trading was nervous, awaiting news from the meeting of ministers from the Organisation of Petroleum Exporting Countries in Geneva, and the talks between Mrs Margaret Thatcher, the Prime Minister, and Mr Karl Otto Poehl, president of the West German Bundesbank. Mr Robin Leigh-Pemberton, Governor of the Bank of England was also present amid growing speculation that Mr Poehl would put pressure on Britain to join the European Monetary System. But news from the meeting was neutral, and the talk was described as general, without concentrating on any specific subject.

The pound shed 10 points to

1.6880, from SF 2.325 to SF 2.3225 from SF 2.32, to FFr 9.31 from SF 9.2975, and to Yen 154.75 from Yen 154.50.

On Bank of England figures the dollar's index rose to 104.4 from 103.4.

STERLING—Trading range against the dollar in 1986 is 2.4718 to 2.5025, September average 2.4824.

The D-mark weakened against the dollar after Mr Karl Otto Poehl, president of the West German Bundesbank, told a German

newspaper.

view about the direction of the dollar until publication of third quarter US GNP data later this week.

Sterling held steady against the dollar at around \$1.63 for most of

the day, and gained ground in terms of Continental currencies. Trading was nervous, awaiting news from the meeting of ministers from the Organisation of Petroleum Exporting Countries in Geneva, and the talks between Mrs Margaret Thatcher, the Prime Minister, and Mr Karl Otto Poehl, president of the West German Bundesbank. Mr Robin Leigh-Pemberton, Governor of the Bank of England was also present amid growing speculation that Mr Poehl would put pressure on Britain to join the European Monetary System. But news from the meeting was neutral, and the talk was described as general, without concentrating on any specific subject.

The pound shed 10 points to

1.6880, from SF 2.325 to SF 2.3225 from SF 2.32, to FFr 9.31 from SF 9.2975, and to Yen 154.75 from Yen 154.50.

On Bank of England figures the dollar's index rose to 104.4 from 103.4.

STERLING—Trading range against the dollar in 1986 is 2.4718 to 2.5025, September average 2.4824.

The D-mark weakened against the dollar after Mr Karl Otto Poehl, president of the West German Bundesbank, told a German

newspaper.

view about the direction of the dollar until publication of third quarter US GNP data later this week.

Sterling held steady against the dollar at around \$1.63 for most of

the day, and gained ground in terms of Continental currencies. Trading was nervous, awaiting news from the meeting of ministers from the Organisation of Petroleum Exporting Countries in Geneva, and the talks between Mrs Margaret Thatcher, the Prime Minister, and Mr Karl Otto Poehl, president of the West German Bundesbank. Mr Robin Leigh-Pemberton, Governor of the Bank of England was also present amid growing speculation that Mr Poehl would put pressure on Britain to join the European Monetary System. But news from the meeting was neutral, and the talk was described as general, without concentrating on any specific subject.

The pound shed 10 points to

1.6880, from SF 2.325 to SF 2.3225 from SF 2.32, to FFr 9.31 from SF 9.2975, and to Yen 154.75 from Yen 154.50.

On Bank of England figures the dollar's index rose to 104.4 from 103.4.

STERLING—Trading range against the dollar in 1986 is 2.4718 to 2.5025, September average 2.4824.

The D-mark weakened against the dollar after Mr Karl Otto Poehl, president of the West German Bundesbank, told a German

newspaper.

view about the direction of the dollar until publication of third quarter US GNP data later this week.

Sterling held steady against the dollar at around \$1.63 for most of

the day, and gained ground in terms of Continental currencies. Trading was nervous, awaiting news from the meeting of ministers from the Organisation of Petroleum Exporting Countries in Geneva, and the talks between Mrs Margaret Thatcher, the Prime Minister, and Mr Karl Otto Poehl, president of the West German Bundesbank. Mr Robin Leigh-Pemberton, Governor of the Bank of England was also present amid growing speculation that Mr Poehl would put pressure on Britain to join the European Monetary System. But news from the meeting was neutral, and the talk was described as general, without concentrating on any specific subject.

The pound shed 10 points to

1.6880, from SF 2.325 to SF 2.3225 from SF 2.32, to FFr 9.31 from SF 9.2975, and to Yen 154.75 from Yen 154.50.

On Bank of England figures the dollar's index rose to 104.4 from 103.4.

STERLING—Trading range against the dollar in 1986 is 2.4718 to 2.5025, September average 2.4824.

The D-mark weakened against the dollar after Mr Karl Otto Poehl, president of the West German Bundesbank, told a German

newspaper.

view about the direction of the dollar until publication of third quarter US GNP data later this week.

Sterling held steady against the dollar at around \$1.63 for most of

the day, and gained ground in terms of Continental currencies. Trading was nervous, awaiting news from the meeting of ministers from the Organisation of Petroleum Exporting Countries in Geneva, and the talks between Mrs Margaret Thatcher, the Prime Minister, and Mr Karl Otto Poehl, president of the West German Bundesbank. Mr Robin Leigh-Pemberton, Governor of the Bank of England was also present amid growing speculation that Mr Poehl would put pressure on Britain to join the European Monetary System. But news from the meeting was neutral, and the talk was described as general, without concentrating on any specific subject.

The pound shed 10 points to

1.6880, from SF 2.325 to SF 2.3225 from SF 2.32, to FFr 9.31 from SF 9.2975, and to Yen 154.75 from Yen 154.50.

On Bank of England figures the dollar's index rose to 104.4 from 103.4.

STERLING—Trading range against the dollar in 1986 is 2.4718 to 2.5025, September average 2.4824.

The D-mark weakened against the dollar after Mr Karl Otto Poehl, president of the West German Bundesbank, told a German

newspaper.

view about the direction of the dollar until publication of third quarter US GNP data later this week.

Sterling held steady against the dollar at around \$1.63 for most of

the day, and gained ground in terms of Continental currencies. Trading was nervous, awaiting news from the meeting of ministers from the Organisation of Petroleum Exporting Countries in Geneva, and the talks between Mrs Margaret Thatcher, the Prime Minister, and Mr Karl Otto Poehl, president of the West German Bundesbank. Mr Robin Leigh-Pemberton, Governor of the Bank of England was also present amid growing speculation that Mr Poehl would put pressure on Britain to join the European Monetary System. But news from the meeting was neutral, and the talk was described as general, without concentrating on any specific subject.

The pound shed 10 points to

1.6880, from SF 2.325 to SF 2.3225 from SF 2.32, to FFr 9.31 from SF 9.2975, and to Yen 154.75 from Yen 154.50.

On Bank of England figures the dollar's index rose to 104.4 from 103.4.

STERLING—Trading range against the dollar in 1986 is 2.4718 to 2.5025, September average 2.4824.

The D-mark weakened against the dollar after Mr Karl Otto Poehl, president of the West German Bundesbank, told a German

newspaper.

view about the direction of the dollar until publication of third quarter US GNP data later this week.

Sterling held steady against the dollar at around \$1.63 for most of

the day, and gained ground in terms of Continental currencies. Trading was nervous, awaiting news from the meeting of ministers from the Organisation of Petroleum Exporting Countries in Geneva, and the talks between Mrs Margaret Thatcher, the Prime Minister, and Mr Karl Otto Poehl, president of the West German Bundesbank. Mr Robin Leigh-Pemberton, Governor of the Bank of England was also present amid growing speculation that Mr Poehl would put pressure on Britain to join the European Monetary System. But news from the meeting was neutral, and the talk was described as general, without concentrating on any specific subject.

The pound shed 10 points to

1.6880, from SF 2.325 to SF 2.3225 from SF 2.32, to FFr 9.31 from SF 9.2975, and to Yen 154.75 from Yen 154.50.

On Bank of England figures the dollar's index rose to 104.4 from 103.4.

STERLING—Trading range against the dollar in 1986 is 2.4718 to 2.5025, September average 2.4824.

The D-mark weakened against the dollar after Mr Karl Otto Poehl, president of the West German Bundesbank, told a German

newspaper.

view about the direction of the dollar until publication of third quarter US GNP data later this week.

Sterling held steady against the dollar at around \$1.63 for most of

the day, and gained ground in terms of Continental currencies. Trading was nervous, awaiting news from the meeting of ministers from the Organisation of Petroleum Exporting Countries in Geneva, and the talks between Mrs Margaret Thatcher, the Prime Minister, and Mr Karl Otto Poehl, president of the West German Bundesbank. Mr Robin Leigh-Pemberton, Governor of the Bank of England was also present amid growing speculation that Mr Poehl would put pressure on Britain to join the European Monetary System. But news from the meeting was neutral, and the talk was described as general, without concentrating on any specific subject.

The pound shed 10 points to

1.6880, from SF 2.325 to SF 2.3225 from SF 2.32, to FFr 9.31 from SF 9.2975, and to Yen 154.75 from Yen 154.50.

On Bank of England figures the dollar's index rose to 104.4 from 103.4.

STERLING—Trading range against the dollar in 1986 is 2.4718 to 2.5025, September average 2.4824.

The D-mark weakened against the dollar after Mr Karl Otto Poehl, president of the West German Bundesbank, told a German

newspaper.

view about the direction of the dollar until publication of third quarter US GNP data later this week.

Sterling held steady against the dollar at around \$1.63 for most of

the day, and gained ground in terms of Continental currencies. Trading was nervous, awaiting news from the meeting of ministers from the Organisation of Petroleum Exporting Countries in Geneva, and the talks between Mrs Margaret Thatcher, the Prime Minister, and Mr Karl Otto Poehl, president of the West German Bundesbank. Mr Robin Leigh-Pemberton, Governor of the Bank of England was also present amid growing speculation that Mr Poehl would put pressure on Britain to join the European Monetary System. But news from the meeting was neutral, and the talk was described as general, without concentrating on any specific subject.

The pound shed 10 points to

1.6880, from SF 2.325 to SF 2.3225 from SF 2.32, to FFr 9.31 from SF 9.2975, and to Yen 154.75 from Yen 154.50.

On Bank of England figures the dollar's index rose to 104.4 from 103.4.

STERLING—Trading range against the dollar in 1986 is 2.4718 to 2.5025, September average 2.4824.

The D-mark weakened against the dollar after Mr Karl Otto Poehl, president of the West German Bundesbank, told a German

newspaper.

FINANCIAL FUTURES

Late recovery by gilts

THE LATE strength of gilts on both the cash and futures markets caused some confusion on the London International Financial Futures Exchange yesterday. The early weakness in prices of long term stocks appeared to argue against the suggestions that the recovery reflected fears of a bear squeeze on sterling joined the European Monetary System. Prices were at their weakest when Mrs Margaret Thatcher, the Prime Minister, was due to have talks with Mr Karl Otto Poehl, president of the West German Bundesbank, at the Frankfurt fixing. The market was also restricted by his meeting with Mrs Thatcher and Mr Leigh-Pemberton, at which he was expected to urge full British membership of the EMS. At the Frankfurt fixing the Bundesbank did not intervene when the dollar rose to DM 1.9788 from DM 1.9734. At the Frankfurt close the dollar had advanced to DM 1.9880, from DM 1.9750 on Friday.

YEN—Trading range against the dollar in 1986 is 122.78 to 135.25. September average 131.67. Exchange rate index 214.7 against 136.7 six months ago.

The yen showed little change against the dollar, with the US currency closing in Tokyo at Yen 134.30, the day's low, compared with Yen 134.50 on Friday. The D-mark weakened against the dollar after Mr Karl Otto Poehl, president of the West German Bundesbank, told a German

newspaper.

view about the direction of the dollar until publication of third quarter US GNP data later this week.

Sterling held steady against the dollar at around \$1.63 for most of

the day, and gained ground in terms of Continental currencies. Trading was nervous, awaiting news from the meeting of ministers from the Organisation of Petroleum Exporting Countries in Geneva, and the talks between Mrs Margaret Thatcher, the Prime Minister, and Mr Karl Otto Poehl, president of the West German Bundesbank. Mr Robin Leigh-Pemberton, Governor of the Bank of England was also present amid growing speculation that Mr Poehl would put pressure on Britain to join the European Monetary System. But news from the meeting was neutral, and the talk was described as general, without concentrating on any specific subject.

The pound shed 10 points to

1.6880, from SF 2.325 to SF 2.3225 from SF 2.32,

BRITISH FUNDS

High	Low	Stock	Price	Yield	Int.	Ref.
"Shorts" (Lives up to Five Years)						
93	92	1994-5	10.75	-	-	
93	92	1994-6	10.75	-	-	
93	92	1994-7	10.75	-	-	
93	92	1994-8	10.75	-	-	
93	92	1994-9	10.75	-	-	
93	92	1994-10	10.75	-	-	
93	92	1994-11	10.75	-	-	
93	92	1994-12	10.75	-	-	
93	92	1994-13	10.75	-	-	
93	92	1994-14	10.75	-	-	
93	92	1994-15	10.75	-	-	
93	92	1994-16	10.75	-	-	
93	92	1994-17	10.75	-	-	
93	92	1994-18	10.75	-	-	
93	92	1994-19	10.75	-	-	
93	92	1994-20	10.75	-	-	
93	92	1994-21	10.75	-	-	
93	92	1994-22	10.75	-	-	
93	92	1994-23	10.75	-	-	
93	92	1994-24	10.75	-	-	
93	92	1994-25	10.75	-	-	
93	92	1994-26	10.75	-	-	
93	92	1994-27	10.75	-	-	
93	92	1994-28	10.75	-	-	
93	92	1994-29	10.75	-	-	
93	92	1994-30	10.75	-	-	
93	92	1994-31	10.75	-	-	
93	92	1994-32	10.75	-	-	
93	92	1994-33	10.75	-	-	
93	92	1994-34	10.75	-	-	
93	92	1994-35	10.75	-	-	
93	92	1994-36	10.75	-	-	
93	92	1994-37	10.75	-	-	
93	92	1994-38	10.75	-	-	
93	92	1994-39	10.75	-	-	
93	92	1994-40	10.75	-	-	
93	92	1994-41	10.75	-	-	
93	92	1994-42	10.75	-	-	
93	92	1994-43	10.75	-	-	
93	92	1994-44	10.75	-	-	
93	92	1994-45	10.75	-	-	
93	92	1994-46	10.75	-	-	
93	92	1994-47	10.75	-	-	
93	92	1994-48	10.75	-	-	
93	92	1994-49	10.75	-	-	
93	92	1994-50	10.75	-	-	
93	92	1994-51	10.75	-	-	
93	92	1994-52	10.75	-	-	
93	92	1994-53	10.75	-	-	
93	92	1994-54	10.75	-	-	
93	92	1994-55	10.75	-	-	
93	92	1994-56	10.75	-	-	
93	92	1994-57	10.75	-	-	
93	92	1994-58	10.75	-	-	
93	92	1994-59	10.75	-	-	
93	92	1994-60	10.75	-	-	
93	92	1994-61	10.75	-	-	
93	92	1994-62	10.75	-	-	
93	92	1994-63	10.75	-	-	
93	92	1994-64	10.75	-	-	
93	92	1994-65	10.75	-	-	
93	92	1994-66	10.75	-	-	
93	92	1994-67	10.75	-	-	
93	92	1994-68	10.75	-	-	
93	92	1994-69	10.75	-	-	
93	92	1994-70	10.75	-	-	
93	92	1994-71	10.75	-	-	
93	92	1994-72	10.75	-	-	
93	92	1994-73	10.75	-	-	
93	92	1994-74	10.75	-	-	
93	92	1994-75	10.75	-	-	
93	92	1994-76	10.75	-	-	
93	92	1994-77	10.75	-	-	
93	92	1994-78	10.75	-	-	
93	92	1994-79	10.75	-	-	
93	92	1994-80	10.75	-	-	
93	92	1994-81	10.75	-	-	
93	92	1994-82	10.75	-	-	
93	92	1994-83	10.75	-	-	
93	92	1994-84	10.75	-	-	
93	92	1994-85	10.75	-	-	
93	92	1994-86	10.75	-	-	
93	92	1994-87	10.75	-	-	
93	92	1994-88	10.75	-	-	
93	92	1994-89	10.75	-	-	
93	92	1994-90	10.75	-	-	
93	92	1994-91	10.75	-	-	
93	92	1994-92	10.75	-	-	
93	92	1994-93	10.75	-	-	
93	92	1994-94	10.75	-	-	
93	92	1994-95	10.75	-	-	
93	92	1994-96	10.75	-	-	
93	92	1994-97	10.75	-	-	
93	92	1994-98	10.75	-	-	
93	92	1994-99	10.75	-	-	
93	92	1994-100	10.75	-	-	
93	92	1994-101	10.75	-	-	
93	92	1994-102	10.75	-	-	
93	92	1994-103	10.75	-	-	
93	92	1994-104	10.75	-	-	
93	92	1994-105	10.75	-	-	
93	92	1994-106	10.75	-	-	
93	92	1994-107	10.75	-	-	
93	92	1994-108	10.75	-	-	
93	92	1994-109	10.75	-	-	
93	92	1994-110	10.75	-	-	
93	92	1994-111	10.75	-	-	
93	92	1994-112	10.75	-	-	
93	92	1994-113	10.75	-	-	
93	92	1994-114	10.75	-	-	
93	92	1994-115	10.75	-	-	
93	92	1994-116	10.75	-	-	
93	92	1994-117	10.75	-	-	
93	92	1994-118	10.75	-	-	
93	92	1994-119	10.75	-	-	
93	92	1994-120	10.75	-	-	
93	92	1994-121	10.75	-	-	
93	92	1994-122	10.75	-	-	
93	92	1994-123	10.75	-	-	
93	92	1994-124	10.75	-	-	
93	92	1994-125	10.75	-	-	
93	92	1994-126	10.75	-	-	
93	92	1994-127	10.75	-	-	
93	92	1994-128	10.75	-	-	
93	92	1994-129	10.75	-	-	
93	92	1994-130	10.75	-	-	
93	92	1994-131	10.75	-	-	
93	92	1994-132	10.75	-	-	
93	92	1994-133	10.75	-	-	
93	92	1994-134	10.75	-	-	
93	92	1994-135	10.75	-	-	
93	92	1994-136	10.75	-	-	
93	92	1994-137	10.75	-	-	
93	92	1994-138	10.75	-	-	
93	92	1994-				

WORLD STOCK MARKETS

AUSTRIA

Oct. 20	Price Sch.	+ or Sch.
Großkredit'R pp	2,886	-5
Glosser	3,300	+20
Interumall	13,000	-500
Jungbuschauer	12,000	+500
Kaufhaus	2,000	-20
Parimont	1,000	-5
Steyr-Daimler	156	-5
Vetoscher Mag	11,040	-50

GERMANY

Oct. 20	Price DM.	+ or DM.
AEG	805	+5
Borsig	2,115	-5
BASF	945.8	+2.7
Bayer	295	-1
Bebek	144	-5
Kosmos	1,165	-1.6
Reuter-Vorwerk	517	-3
BMW	802	-1.8
BMW	583	+2
Brown Boveri	225	-2
Ciba-Geigy	207.9	-3.1
Conti Gummi	1,165	-1.6
Daimler-Benz	478	-1
Deutsche Bank	2,028	-1.5
Deutsche Handelsbank	770	-5
Deutsche Kredit	468.5	+2.1
Hochfert	1,100	-1
Hochfert	460	-1.5
Holzhausen	125	-1
Holzmann (P)	240	+10
Horten	252	-10
Huhtala	671	-1
Huhtala	672	-1
Huhtala	673	-1
Huhtala	674	-1
Huhtala	675	-1
Huhtala	676	-1
Huhtala	677	-1
Huhtala	678	-1
Huhtala	679	-1
Huhtala	680	-1
Huhtala	681	-1
Huhtala	682	-1
Huhtala	683	-1
Huhtala	684	-1
Huhtala	685	-1
Huhtala	686	-1
Huhtala	687	-1
Huhtala	688	-1
Huhtala	689	-1
Huhtala	690	-1
Huhtala	691	-1
Huhtala	692	-1
Huhtala	693	-1
Huhtala	694	-1
Huhtala	695	-1
Huhtala	696	-1
Huhtala	697	-1
Huhtala	698	-1
Huhtala	699	-1
Huhtala	700	-1
Huhtala	701	-1
Huhtala	702	-1
Huhtala	703	-1
Huhtala	704	-1
Huhtala	705	-1
Huhtala	706	-1
Huhtala	707	-1
Huhtala	708	-1
Huhtala	709	-1
Huhtala	710	-1
Huhtala	711	-1
Huhtala	712	-1
Huhtala	713	-1
Huhtala	714	-1
Huhtala	715	-1
Huhtala	716	-1
Huhtala	717	-1
Huhtala	718	-1
Huhtala	719	-1
Huhtala	720	-1
Huhtala	721	-1
Huhtala	722	-1
Huhtala	723	-1
Huhtala	724	-1
Huhtala	725	-1
Huhtala	726	-1
Huhtala	727	-1
Huhtala	728	-1
Huhtala	729	-1
Huhtala	730	-1
Huhtala	731	-1
Huhtala	732	-1
Huhtala	733	-1
Huhtala	734	-1
Huhtala	735	-1
Huhtala	736	-1
Huhtala	737	-1
Huhtala	738	-1
Huhtala	739	-1
Huhtala	740	-1
Huhtala	741	-1
Huhtala	742	-1
Huhtala	743	-1
Huhtala	744	-1
Huhtala	745	-1
Huhtala	746	-1
Huhtala	747	-1
Huhtala	748	-1
Huhtala	749	-1
Huhtala	750	-1
Huhtala	751	-1
Huhtala	752	-1
Huhtala	753	-1
Huhtala	754	-1
Huhtala	755	-1
Huhtala	756	-1
Huhtala	757	-1
Huhtala	758	-1
Huhtala	759	-1
Huhtala	760	-1
Huhtala	761	-1
Huhtala	762	-1
Huhtala	763	-1
Huhtala	764	-1
Huhtala	765	-1
Huhtala	766	-1
Huhtala	767	-1
Huhtala	768	-1
Huhtala	769	-1
Huhtala	770	-1
Huhtala	771	-1
Huhtala	772	-1
Huhtala	773	-1
Huhtala	774	-1
Huhtala	775	-1
Huhtala	776	-1
Huhtala	777	-1
Huhtala	778	-1
Huhtala	779	-1
Huhtala	780	-1
Huhtala	781	-1
Huhtala	782	-1
Huhtala	783	-1
Huhtala	784	-1
Huhtala	785	-1
Huhtala	786	-1
Huhtala	787	-1
Huhtala	788	-1
Huhtala	789	-1
Huhtala	790	-1
Huhtala	791	-1
Huhtala	792	-1
Huhtala	793	-1
Huhtala	794	-1
Huhtala	795	-1
Huhtala	796	-1
Huhtala	797	-1
Huhtala	798	-1
Huhtala	799	-1
Huhtala	800	-1
Huhtala	801	-1
Huhtala	802	-1
Huhtala	803	-1
Huhtala	804	-1
Huhtala	805	-1
Huhtala	806	-1
Huhtala	807	-1
Huhtala	808	-1
Huhtala	809	-1
Huhtala	810	-1
Huhtala	811	-1
Huhtala	812	-1
Huhtala	813	-1
Huhtala	814	-1
Huhtala	815	-1
Huhtala	816	-1
Huhtala	817	-1
Huhtala	818	-1
Huhtala	819	-1
Huhtala	820	-1
Huhtala	821	-1
Huhtala	822	-1
Huhtala	823	-1
Huhtala	824	-1
Huhtala	825	-1
Huhtala	826	-1
Huhtala	827	-1
Huhtala	828	-1
Huhtala	829	-1
Huhtala	830	-1
Huhtala	831	-1
Huhtala	832	-1
Huhtala	833	-1
Huhtala	834	-1
Huhtala	835	-1
Huhtala	836	-1
Huhtala	837	-1
Huhtala	838	-1
Huhtala	839	-1
Huhtala	840	-1
Huhtala	841	-1
Huhtala	842	-1
Huhtala	843	-1
Huhtala	844	-1
Huhtala	845	-1
Huhtala	846	-1
Huhtala	847	-1
Huhtala	848	-1
Huhtala	849	-1
Huhtala	850	-1
Huhtala	851	-1
Huhtala	852	-1
Huhtala	853	-1
Huhtala	854	-1
Huhtala	855	-1
Huhtala	856	-1
Huhtala	857	-1
Huhtala	858	-1
Huhtala	859	-1
Huhtala	860	-1
Huhtala	861	-1
Huhtala	862	-1
Huhtala	863	-1
Huhtala	864	-1
Huhtala	865	-1
Huhtala	866	-1
Huhtala	867	-1
Huhtala	868	-1
Huhtala	869	-1
Huhtala	870	-1
Huhtala	871	-1
Huhtala	872	-1
Huhtala	873	-1
Huhtala	874	-1
Huhtala	875	-1
Huhtala	876	-1
Huhtala	877	-1
Huhtala	878	-1
Huhtala	879	-1
Huhtala	880	-1
Huhtala	881	-1
Huhtala	882	-1
Huhtala	883	-1
Huhtala	884	-1
Huhtala	885	-1
Huhtala	886	-1
Huhtala	887	-1
Huhtala	888	-1
Huhtala	889	-1
Huhtala	890	-1
Huhtala	891	-1
Huhtala	892	-1
Huhtala	893	-1
Huhtala	894	-1
Huhtala	895	-1
Huhtala	896	-1
Huhtala	897	-1
Huhtala	898	-1
Huhtala	899	-1
Huhtala	900	-1
Huhtala	901	-1
Huhtala	902	-1
Huhtala	903	-1
Huhtala	904	-1
Huhtala	905	-1
Huhtala	906	-1
Huhtala	907	-1
Huhtala	908	-1
Huhtala	909	-1
Huhtala	910</td	

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Kidder, Peabody International Limited

International Investment Bankers

An affiliate of

Kidder, Peabody & Co. Incorporated

Founded 1865

مِنْزَاهُنَّ الْأَصْلَمْ

NYSE COMPOSITE CLOSING PRICES

P/ Ss
Right Law Stock Div. YM. E 1000
Continued from Page 42

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 cents or more has been paid, the year's high-low range and percent change shown for the new stock only. Unless otherwise

d-dividend also extra(a), b-annual rate of dividend plus stock dividend, c-liquidating dividend, cl-called, d-new yearly dividend declared or paid in preceding 12 months, g-dividend in Canadian funds, subject to 15% non-residence tax, h-annual dividend declared, i-annual dividend declared, j-annual dividend declared, k-annual dividend declared, l-annual dividend declared, m-annual dividend declared, n-annual dividend declared, o-annual dividend declared, p-annual dividend declared, q-annual dividend declared, r-annual dividend declared, s-annual dividend declared, t-annual dividend declared, u-annual dividend declared, v-annual dividend declared, w-annual dividend declared, x-annual dividend declared, y-annual dividend declared, z-annual dividend declared.

d-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-dissipating dividend. cl-called. cl-new yearly. d-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. h-dividend declared after split-up or stock dividend. l-dividend for this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the last 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-divid declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. s-a, t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date, u-yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or assumed by such companies. wd-distributed. w-withheld. ww-with warrants. x-ex-dividend or ex-rights. xlx-ex-distribution. xw-without warrants. y-ex-dividend and sales in progress. z-reason in force.

AMEX COMPOSITE CLOSING PRICES

Continued on Page 41

FINANCIAL TIMES

WORLD STOCK MARKETS

WALL STREET

Intimidated by Treasury schedule

FEARS that a heavy schedule of Treasury issues this week and next will force up interest rates, pushed bond and stock prices sharply lower on Wall Street yesterday, writes Roderick Oram in New York.

Investors were also unsettled by the uncertain picture at the Opec meeting in Geneva and the US economic figures due out this week which are likely to show some acceleration in growth and inflation rates. Bond prices, under pressure from a steep decline in the futures market, fell by up to ½ of a point in light trading.

The Dow Jones industrial average closed down 26.02 points at 1,811.02. The New York Stock Exchange composite index lost 1.46 points to close at 136.02. NYSE volume moderated to 109.01m shares from 124.1m on Friday with 1,103 issues declining and 433 issues advancing.

Share prices fell rapidly from the opening in heavy trading until they found some stability around 30 points down on Friday's close. Influenced by the bearish mood in bond markets, stock index options and futures traded at a

sharp discount to the underlying stocks, prompting some heavy share sell programmes. After the opening flurry, volume eased considerably and prices drifted for the rest of the day.

Among blue chips, Du Pont was off ½ at \$61.4, Eastman Kodak eased ½ to \$56, General Motors, which announced it was selling its South African operations, lost ½ to \$66.4 and Philip Morris gave up ½ to \$71.1.

Shares of many companies reporting improved third-quarter earnings were unable to resist the market trend and fell. Allied Signal lost ¾ to \$49. Goodrich fell ½ to \$42.5 and Cork Crown and Seal gave up ½ to \$10.1.

Dart & Kraft lost ½ to \$55 on quarterly earnings down to 52 cents a share from 74 cents. Humana fell ½ to \$21.4 after reporting as expected a quarterly loss of \$1.0m.

Continental Illinois, the bank holding company recovering from a severe financial setback, gained ½ to \$67 after it declared a 2 cents a share quarterly dividend, its first since February 1984.

In the takeover arena, USX rose ½ to \$27 on heavy volume on speculation that it would spin off its Yates oil field assets into a master limited partnership. The move would likely boost its share price above the \$31 offered by Mr Carl Icahn, the corporate raider.

Transworld, parent of Hilton Hotels, gained \$3 to \$35.7 on rumours that Mr Donald Trump, a New York real estate developer, or Mr Charles Bradshaw, a former Transworld president, were about to bid for the company the stock of which has risen sharply in recent weeks. Mr Trump, who has a small

stake in the company, said he was "not interested" in bidding. Mr Bradshaw was unavailable for comment.

Viacom agreed to an improved management buyout offer fractionally higher than an earlier offer of an estimated \$44 in cash and securities. The share price rose ¾ to \$44.

Enron lost ¾ to \$40. It said it had repurchased 7.4m common shares from Mr Irwin Jacobs, the corporate raider, for \$47 a share resulting in a charge of \$15m-\$20m in its next results.

Trading was light in credit markets yesterday as investors became apprehensive about the heavy round of new Treasury issues this week and next.

The price of the 7.25 per cent benchmark Treasury bond due 2016 fell ½ of a point to 92 ½, yielding 7.90 per cent. Prices declined proportionately across all maturities.

Three-month and six-month Treasury bill yields gained 5 basis points to 5.31 per cent and 5.41 per cent respectively while year yields were both ahead 7 basis points to 5.54 per cent.

The Federal Reserve Board made \$2bn of customer repurchases when the Fed funds rate stood at 5% per cent. It closed at 5% per cent.

The heavy Treasury schedule will bring auctions on four days this week for an estimated total \$42bn of securities including probably seven-year notes delayed for several weeks until Congress had increased the Federal Government's debt ceiling. A further \$29bn of issues are expected next week.

Investors are also waiting for some key economic figures due out this week including third-quarter gross national product tomorrow which is likely to show modest 2.7 per cent growth in real terms at an annual rate against 0.6 per cent in the second quarter.

September's consumer price index on Thursday is expected to show a slight acceleration in inflation to 0.4 per cent month-on-month. Durable goods orders on the same day are forecast to rise 1% to 2 per cent from a month earlier after a 3.1 per cent fall in August.

LONDON

CONCERN ABOUT domestic interest rates continued to restrain activity in both the equities and government bond sectors in London, but gilt staged a successful rally from early falls with the help of a slight improvement in sterling. The FT Ordinary index closed 1.1 lower at 1,264.4 and the more broadly-based FT-SE 100 index slipped 19.8 to 1,590.2.

Some chemicals and pharmaceuticals blue chips gave ground as did oil stocks and the lack of support for blue chips also checked an attempted improvement by second-line issues. Turnover was light throughout.

The adjournment of the Opec talks without agreement on pricing was an additional reason for buyers to back away from the stock market.

Chief price changes, Page 41; Details, Page 46; Share information service, Page 38, 39

HONG KONG

ACTIVE and volatile trading in the market gave way to a sustained bout of overseas selling, taking the Hang Seng index down 7.13 on the day. It ended at 2,227.76.

The market continued to adjust after recent highs, but there continued to be substantial support for the Hang Seng index at the 2,200 level. Bargain hunting late in the day helped the market partially to recover early losses.

Utilities were mostly firmer, but properties generally lost ground - although Cheung Kong rose 75 cents to HK\$22.25.

Hutchison shed 25 cents to HK\$40.75 and Swire "A" 10 to HK\$17.10. Jardine Matheson was steady at HK\$18.50. The most actively traded issue was Hong Kong and Shanghai Banking Corporation, which slipped 10 cents to HK\$7.85.

AUSTRALIA

SCATTERED profit-taking among leading industrials and a sharply weaker resources sector took prices lower in Australia, ending a rally that last week pushed markets to record levels. The All Ordinaries index closed 7.7 lower at 1,360.7.

The changed mood was attributed to falling world bullion prices and concern that the latest Opec meeting would end in stalemate. Most gold and oil stocks lost ground, while among blue chip industrials the lack of direction from Wall Street halted a five-day bull run.

Among golds, Central Norseman slipped 40 cents to AS15.80. In mines CRA dropped 26 cents to AS8.04.

SINGAPORE

PROFIT-TAKING alternated with buying interest in Singapore, to leave the market narrowly mixed after a day of active trading and the Straits Times industrial index closed 1.38 higher at 1,361.3.

Some Malaysian-based issues rose on pre-budget buying interest, but Singapore-based blue chips and quality stocks fell as some investors moved to take profits. The profit-taking was attributed to wary investors who felt that the market was overbought after recent gains.

CANADA

FOLLOWING early Wall Street trends, Toronto slumped in a broad decline embracing all major share groups with the exception of golds.

Lake Ontario Cement jumped CS4% to CS35% among actives as trading resumed after a halt for news that Société des Ciments Français agreed to offer CS36.25 a share for all outstanding stock. Montreal was also lower.

EUROPE

Cautious tone blunts performance

THE CAUTIOUS MOOD on the European bourses yesterday prompted a broadly lower performance in thin turnover.

Frankfurt continued to weaken with a fresh 12.1 drop in the Commerzbank index to 1,937.9 in what brokers described as "exceptionally thin dealing."

Banks took the largest losses in further reaction to the troubled Neue Heimat housing group. Dresdner dropped DM 6.50 to DM 386 while Deutsche Bank fell DM 6 to DM 770. Commerzbank resisted the trend with its DM 1 rise to DM 301.

Car-makers and electricals represented a disproportionate amount of turnover and some modest advances were managed. BMW ended DM 4 up at DM 583 and VW put on 50 pf to DM 464.50. Daimler held unchanged at DM 1,183 and Porsche finished DM 5 higher at DM 975. Domestic new car registrations hit a record in August.

Leading electrical AEG picked up DM 3 to DM 393 while Siemens edged 50 pf up to DM 684.

Retailers were led lower by Karstadt, DM 9 down at DM 488, while Kaufhof dipped DM 6 to DM 517.

Among utilities Veba lost DM 3.50 to DM 282.50 and RWE picked up DM 4 to DM 212 in response to an investment newsletter recommendation.

Bond prices fell over continued interest rate uncertainty. Losses of up to 50 basis points were frequent, although some longs sustained drops of over ¼ points. The Bundesbank bought DM 40.1m of paper compared with Friday's purchase of DM 75.7m. The average yield on public authority paper rose 3 basis points to 6.00 per cent.

Amsterdam was quietly lower as international and domestic investors moved to the sidelines and deflated turnover. Sentiment was unsettled due to interest doubts and exchange rate fears.

The ANP-CBS General index slipped 0.3 points to a midsession calculation of 274.7.

Internationals were broadly lower with Royal Dutch 60 cents cheaper at FI 194.10 and Unilever down 50 cents at FI 472.50. Philips suffered a heavier FI 11.10 fall to FI 46.50 and Akzo at FI 144.80 was FI 1.70 down.

NMB led the banking sector lower with its FI 3 drop to FI 210 while Aegon led the fall among insurers with a 90 cent drop to FI 91.90.

Zurich extended last week's featureless trading with another uninspired

session. Interest rate uncertainty again underpinned the slow pace of trading.

Bankers and insurers edged lower. UBS reversed early gains to close SFr 15 down at SFr 5,900.

Chemicals were mixed with Sandoz down SFr 150 to SFr 11,700.

Bonds were lacklustre.

Brussels was hesitant amid low turnover. Investor concern returned to the fate of the government coalition confronted with a damaging public row over regional language policy.

Market leader Petrofina fell BFr 20 to BFr 9,400 and chemical group Solvay dropped BFr 130 to BFr 7,880.

Milan finished mixed with late selective demand for leading insurers and banks. Industrials ended the day generally lower.

Generali jumped LI 175 to LI 133,850, and gained further ground in after-bourse dealing on renewed speculation of a takeover bid for the insurer.

CIR added LI 330 as Mr Carlo De Benedetti announced that he had bought a stake in Montedison, down LI 1 to LI 120.

Pars continued to lose ground amid higher call money rates, fresh declines on the financial futures market and settlement day on Thursday. The public sector strike planned for today also inhibited sentiment.

Stockholm turned mixed in moderate trading and Madrid dropped sharply in response to Friday's 1.1 per cent rise in the consumer price index during September.

TOKYO

Institutions remain on the fence

A HANDS-OFF attitude by institutions, combined with small-lot selling by individuals, sent equities down in Tokyo, writes Shigeo Nishizaki of *Jiji Press*.

The Nikkei average ended at 16,523.37, shedding 177.97 points from last Friday in its sixth consecutive daily drop, reflecting the uncertain market outlook. Volume remained weak at 254.89m shares, down from last Friday's 266.42m. Declines led advances by 526 to 240, with 150 issues unchanged.

The index has thus slipped about 1,126 points in the past six market days.

Institutional investors remained on the fence amid weakening expectations for another round of discount rate cuts by Japan and other industrial countries and growing concern over an upturn in crude oil prices. They have been shifting funds largely to short-term financial instruments and US bonds. Meanwhile, individuals are saddled with book value

losses due to the continued plunge in stock prices since early this month.

Investors were dispirited further by news that the Ministry of Finance is considering expanding the scope of "large-lot" stock transactions by individuals subject to tax in a tax reform scheduled for fiscal 1987.

The Nikkei average fell 219 points to 16,481 at one point in the morning, coming close to the major immediate chart point of 16,473. The index stopped declining in the middle of the afternoon session, as some securities companies placed light buy orders to stop it from dropping further. Towards the close, however, it plunged again.

Some small-capital, blue-chip stocks

firmly on small-lot buying by investment trusts, despite the absence of fresh incentives. Canon added Y20 to Y1,070, Casio Computer Y50 to Y1,490 and Yokogawa Electric Y40 to Y1,180.

General electric machineries were mixed. Toshiba eased Y5 to Y33 and Hitachi Y20 to Y1,020, while Mitsubishi Electric gained Y10 to Y1,240. Giant-capital stocks remained lacklustre. Nippon Steel stumbled Y13 to Y168 after reports that the firm would close down its steelworks to cope with its deteriorating business performance. Its trading volume came to only 118.5m shares, the day's second largest.

Ishikawajima-Harima Heavy Industries skidded Y12 to Y488. Mitsubishi Heavy Industries lost Y17 to Y455 and Tokyo Gas Y5 to Y995. On the other hand, Nippon Kokan added Y1 to Y240. These issues had led the market in brisk trading in August-September.

Securities companies tumbled across the board on the capital gains tax report, with Nomura Securities losing Y130 to Y2,700. Other financial stocks were also down.

Bonds retreated substantially due to the plunge in US bonds last weekend, combined with the likelihood that the Government would issue as much as Y1,000m of 10-year bonds in November at a coupon rate of 5.3 per cent, up 0.2 percentage points from the previous month.

The yield on the benchmark 6.2 per cent government bond due in July 1995 soared from 4.885 to 4.985 per cent on the Tokyo Stock Exchange and surged further above 5 per cent in inter-dealer trading.

The yield on the 5.1 per cent issue due in June 1996 went up from 5.840 to 5.880 per cent, reflecting dumping by some dealers.

SOUTH AFRICA

A RECOVERY in the bullion price failed to prompt Johannesburg's interest in gold issues, which ended mostly easier. Industrials showed no clear direction and also closed mixed.

Randfontein dropped R7 to R423. Cheaper issues lost up to 50 cents as did Loraine at R26 but West Rand Cons resisted the trend to put on 50 cents to R16.25.

The Solid Gold Investment



Gold is the one commodity that has long been valued as the basis for sound financial planning. Esteemed for its enduring value, gold is a long-term insurance against monetary, political and social uncertainty. It is held by international bodies, governments, banks, corporations and individuals.

Investors are generally advised to include at least 10 percent of gold in a portfolio. Since gold prices most often move independently of paper investments, gold can anchor your more speculative ventures.

Around the world gold bullion coins are the most popular investment vehicle for private investors. And Canada's Gold Maple Leaf is the best-selling coin in the world.



SOLID GOLD

When you invest in gold bullion, choose the most portable and widely-accepted—Canada's Gold Maple Leaf. To suit your individual investment needs, the Gold Maple Leaf is available in 1 oz, ½ oz, ¼ oz, and ⅛ oz sizes.



PUREST GOLD

The Gold Maple Leaf contains a minimum of one troy ounce of 999 fine gold, no other coin is purer. It has no base metals, which add weight but little value.



CANADIAN GOLD

The Gold Maple Leaf is produced from gold mined and refined entirely in Canada. The Canadian government guarantees its gold content and gives it legal tender status.



GLOBAL GOLD

The Gold Maple Leaf is recognized around the world. It can be quickly and easily traded at resales. You will find the Gold Maple Leaf wherever gold is traded—at banks, brokerage houses and coin dealers.

Canada's Gold Maple Leaf